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U. S. Congress. House. Committee on Ways and means.

TARIFF HEARINGS

BEFORE

THE COMMITTEE ON WAYS AND MEANS.

FIRST SESSION, FIFTY-THIRD CONGRESS.

1893.

WASHINGTON:
GOVERNMENT PRINTING OFFICE,
1893.

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U. S. Congress. House. Committee Ways and means.

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COMMITTEE ON WAYS AND MEANS.

FIFTY-THIRD CONGRESS.

WILLIAM L. WILSON, *Chairman.*

BENTON McMILLIN,	WILLIAM D. BYNUM,
HENRY G. TURNER,	JOHN C. TARSNEY,
ALEXANDER B. MONTGOMERY,	THOMAS B. REED,
JUSTIN R. WHITING,	JULIUS C. BURROWS,
W. BOURKE COCKRAN,	SERENO E. PAYNE,
MOSES T. STEVENS,	JOHN DALZELL,
WILLIAM J. BRYAN,	ALBERT J. HOPKINS,
CLIFTON R. BRECKINRIDGE,	JOHN H. GEAR.

HENRY TALBOTT, *Clerk.*

NOTE.

It being the desire of the committee to secure ready reference to all the statements supplied to them at this time, letters and communications containing statistics or facts which have come to them directly or been referred have been inserted. To save space and because many were duplicates addressed to several members, these have been taken as addressed to the committee, and by request in some instances, and under direction in others, all personal matters omitted.

THE CLERK.

Reference(+)
Lowdermilk
12-21-23
9483

TARIFF HEARINGS

BEFORE

THE COMMITTEE ON WAYS AND MEANS.

DATE OF NEW TARIFF.

STATEMENT OF HON. SAMUEL W. M'CALL, REPRESENTATIVE IN CONGRESS FROM BOSTON, MASS.

WEDNESDAY, *September 20, 1893.*

Mr. McCALL. Mr. Chairman and gentlemen of the committee: I appear before you to-day at the suggestion of some of my constituents who are interested in the matter to which I will call attention. I shall try to limit what I have to say to a very few minutes, and then, if you have any questions to ask, I will be glad to answer them if I can do so. The proposition which I desire to present to this committee is that the committee should at the outset, or as soon as possible, agree upon the last section of the bill first; that is, agree upon the time that the tariff bill shall take effect. This is the proposition which I propose to maintain before the committee to-day. It is taken for granted that if there is a bill reported it will make a general reduction in the duties. Of course, if it was going to provide for an increase of duties, it would scarcely be necessary to ask for a postponement of the day when the bill should take effect, because of the liability of importations in anticipation of the bill taking effect. But if duties are to be decreased, then there would be no such danger. In the first place, this proposition of mine would solve the question of the probable deficit in our revenues. Of course, if there is to be a reduction in the tariff, and it is not known when the change is to take effect, the importers will import only from day to day; an importer would only bring in what would be absolutely necessary; he will not import for advanced consumption. I may say that this proposition has been urged as much by the importers as by the manufacturers. Any bill that you report ought to be made to take effect on the 1st of October, 1894, or the 1st of January, 1895. Then the importer could import for consumption without a derangement of the revenues in consequence of the tariff being removed. Under the existing tariff, notwithstanding the large importations that were made before October, 1890, in anticipation of the McKinley bill becoming a law, our revenue under that bill had been sufficient to pay the expenses of the Government until the present unnatural depression set in. Incidentally you would help the business of the importer, because you would remove the uncertainty which now hangs over their business.

With reference to the manufacturer and what would be the effect upon him, I will say that if he can not know what the duties are to be next May or March he is going to proceed with great caution. I am informed that the average per cent of profit in the textile manufactures in some lines of the business is only about 5 per cent on the cost of the product of the mill, and if they manufacture twice the cost of the plant their profit is 10 per cent; but 5 per cent on the product is a fair profit for them to make. You can easily see that if the margin is 5 per cent the danger of having to compete with goods admitted at a duty of 10 per cent will be enough to wipe out their whole prosperity.

I have been informed by large manufacturers that if they knew what the Government was going to do they would start up immediately. I reach this conclusion because I think it will solve the question of the deficit and produce a staple revenue. It will induce the manufacturers to start establishments which are now shut down.

Mr. BRECKINRIDGE. What date would you suggest?

Mr. MCCALL. January 1, 1895. That would give a clear season. The bill would not go into effect until after the election. There would be no tendency to get a verdict upon a measure the bearings of which they could not see, and the situation would not be essentially changed.

I am inclined to think that politically it might be a good idea for the party which enacts it to not have it go into effect pending an election.

Mr. BRECKINRIDGE. What particular advantage do you think, in a business point of view, there would be in putting off the date until January 1, 1895?

Mr. MCCALL. I am inclined to think that in the ordinary course of manufactures—for instance, in the woolen industry—that things are in process about a year ahead of the time of consumption. It takes about that time to turn the raw material into the product.

Mr. BRECKINRIDGE. Is this equally true of other manufactures?

Mr. MCCALL. I do not know how it is as to the other manufactures; but I know it is general in all lines to give credit and have goods sold about that time in advance of their being manufactured.

Mr. BRECKINRIDGE. What is the usual credit?

Mr. MCCALL. It is pretty nearly six months, so far as I know.

Mr. BRECKINRIDGE. What is your business?

Mr. MCCALL. I am a lawyer, and I happen to be incidentally a member of Congress.

Mr. BRECKINRIDGE. That is not a permanent business?

Mr. MCCALL. No, sir; I live in a close district.

Mr. BRECKINRIDGE. With regard to importers, could not the point be substantially made by allowing them to take goods out of bond at whatever rate might be prevalent at the time of taking them out?

Mr. MCCALL. There would be no duty paid until the goods were taken out of bond. The Government would not get any revenue.

Mr. BRECKINRIDGE. It does not usually get it until the goods are taken out of bond.

Mr. MCCALL. If you permit them to put goods in bond in anticipation of lower duties, the result would be to decrease the revenue. The tendency would be among importers to keep the goods in bond until after the bill went into effect. I was talking with a gentleman in reference to that provision permitting the importers to store up goods, if the duty should be removed, and he said it would hurt the revenues. He is a man in whose judgment I have a good deal of confidence.

Mr. BRECKINRIDGE. Would not his policy be the very one that would interfere with the revenues. If the goods were put where the wants of

the people could be readily supplied, would they not be taken out in small quantities, and there would be very little diminution of sales. If they had to be sent over here, and were required in large quantities, the revenues would diminish.

Mr. McCALL. The principal object of the importer is to do business. If he sees large consumption for a definite period he will import the goods and pay the duty. It is my idea that if the importer knows that no tariff whatever is going to be put on the goods, he will go right on and import with reference to the probable consumption, without reference to the question whether or not you are going to permit him to put goods in bond.

Mr. BRECKINRIDGE. Is not the importer situated like the man who buys tobacco? When we reduce the tax on tobacco, the buyers of it never complain of any interruption in the trade, because we give a drawback for all unbroken packages and do not allow packages that had been stamped, but had not entered into consumption, to stand the charge.

Mr. McCALL. I think another point with reference to the importer is that if our manufacturing establishments could be started, and prosperity return, the goods he deals in would be largely increased, and consequently the revenues of the Government would be increased. My object is to remove the uncertainty.

SCHEDULE A.

CHEMICALS.

CHEMICALS.

Schedule A.

STATEMENT OF ALEXANDER COCHRANE, PRESIDENT OF THE MANUFACTURING CHEMISTS' ASSOCIATION OF BOSTON.

MONDAY, *September 18, 1893.*

Mr. COCHRANE. Mr. Chairman and gentleman of the committee: We do not intend to detain you very long. We have been rather embarrassed, and would not have known exactly what course to pursue in presenting the industry, because it comes in under the general schedule of chemicals, and yet the chemical industry is more used in pharmaceutical preparations and comprises such an array of different articles that we are troubled trying to deal with them seriatim, or article by article. Considering the wide range of the discussion in this matter, we think it would be wiser to make a presentation of what we consider the basis of the industry, which is very voluminous. Consequently, when it comes to be taken up it might be possible that we could be of service to the committee, or the gentlemen who may have that particular section in charge. We have not the advantage of having one leading article which we can take as something distinctly to be aimed at, and we are, therefore, obliged to make a general discussion, as it were. We have no one leading article, like the textile fabrics have, to which we can point. Nevertheless, what are known as active chemicals, which this association particularly represents, employs many thousands of people, and many millions of dollars are invested in that particular branch of our business. There are other persons present from other States waiting to be heard; and if the committee would like to ask any questions, I would be very glad to answer them. If not, I hope the committee will read what has been presented in our case in the following paper:

GENTLEMEN: We appear before you in execution of our duty as representing the Manufacturing Chemists' Association of the United States, and ask that in any change in the existing tariff as affecting products of chemical manufacture we may be allowed to present our case before any final action is taken by your honorable body.

We desire to state that we do not represent an association limited to any particular district, or which now or since its founding in 1872 has in any way been used for the control of either production or prices. On the contrary, many of its members have been repeatedly, and at this time are, in active competition with one another. The main object of the association is the promotion of the acquaintance of its members, otherwise separated by great distances.

If it should be the result of your deliberations that a general reduction in existing duties is now required, we beg to submit the suggestion that no particular industry be selected for a reduction in duty which would cripple or destroy it, and that as to any particular product of a chemical nature it would please us to be called upon to assist you to any facts which would come more fittingly later at greater length than is now possible.

We do not wish to appear to instruct the committee in reference to its line of action in revising the tariff, but to urge that we, as chemical manufacturers, may take our proper rank among the industries of the country and receive such consideration as we are entitled to by our products, their peculiar importance, the capital invested, the intelligence engaged, and number of persons employed in their manufacture.

We come here with no idea of obstruction to a general and carefully considered reduction of the tariff when the time is ripe for such a step, but to protest against this industry being selected for a large free-list contribution, as has been proposed in some quarters.

The industry is one, from its nature, to be encouraged. It employs in the practical application of one of the greatest and most useful of the sciences men of the highest education that our institutes of technology and seats of learning turn out, and whose training, if lost or discontinued, could be replaced only after a long time.

We are here as practical men, engaged in an industry built up only after long years of continued, and in some cases hereditary, effort. We do not desire to obstruct the policy that the committee may finally determine upon, but rather, if possible, render such aid in our own field of industry as the committee may desire.

We have not offered any prepared schedule of duties, as we could only do this intelligently upon knowing the general scheme that your committee may formulate. We may say, in brief, that we are in favor of moderate rather than high rates of duty; but, on the other hand, to place an industry created as ours has been under less than the average rate of duty upon other industries is to give it a fatal blow, and so far as we know one entirely foreign to its just claim upon the country.

The theory of free trade should be applied to an industry only when free-trade conditions exist. To avoid matters of controversy we purposely leave out the usual use of figures to illustrate our position, but we may say, without fear of contradiction, that the costs of manufacture generally are higher in this country than in foreign countries. This is due to conditions of fiscal policy long existing, and resulting in higher rates of interest for capital employed, greater cost of plant, higher-priced labor, and generally increased expense of conducting business, and therefore the making of articles thrown open to free foreign competition will suffer or die as long as these conditions continue.

It is perhaps hardly a practical question what would become of our special industry were this country to adopt free trade for all, but the general reduction in costs of every kind that would then ensue would enable our industry to try the experiment with as fair a chance as other branches, whereas selecting it alone for any special contribution to the free list leaves it with all the disadvantages without any of its advantages.

Should the Committee on Ways and Means, after deciding upon the general scheme for a tariff revision, wish our services, we will be ready to give such assistance and information as will, we think, assist you materially in forming a schedule for chemicals that will harmonize with the general principles of the measure.

With this we beg to file with you the addresses of our several officers and beg to remain,

Yours, very respectfully,

ALEXANDER COCHRANE,
President, Boston.
EDWARD D. PEARCE,
Secretary, Providence, R. I.
JAMES L. MORGAN, JR.,
New York, Chairman Executive Committee.

Mr. PAYNE. I suppose that most of the chemical schedule requires a great amount of technical knowledge in order to be able to understand it?

Mr. GREEN. It does. There are concerns in this country with a capital of $2,000,000, and covering schedules perhaps from 2 to 200, and they have experts upon the particular articles. They would be competent to give advice. It would be merely a burden to offer single suggestions.

CHEMICALS.

(Schedule A.)

CHICAGO, *September 18, 1893.*

SIR: If any business is cursed with trusts it is the paint trade. We have a lead trust, comprising white lead, red lead, litharge, and orange mineral, linseed-oil trust, comprising raw and boiled oil; color trust, comprising ultramarine blue, zinc, etc.

Tin cans are higher on account of the extra duty on tin plate. Seems the American manufacturer just follows the price of the importer; may be 5 per cent less. Duties are so high that trusts are generated.

White lead carbonate of: Price to-day, dry, 5; cost 3½. Red lead (oxide of), price to-day, dry, 6; cost 4. Litharge (oxide of), price to-day, dry, 6; cost 3½. Orange mineral, price to-day, dry, 8; cost 5; duty, 3 cents per pound; 1 cent per pound is ample. Linseed oil, price to-day, 35; cost 29; duty, 32 cents; 5 cents per gallon is ample. Ultramarine blue, standard price, 8 cents; trust last year raised it to 12 cents; now 9 cents; duty of 2 cents per pound protects. Ochers should be free. No American ocher worth grinding; best comes from France. Even McKinley reduced it from one-half to one-quarter cent per pound.

Chrome yellow, etc., should not be over 2½ per pound; cost of the best is not over 10 cents.

Bichromate of potash: A mean trust; should be free, to protect the chrome-yellow manufacturer.

Baryta sulphate of: Duty, $1.12; being crude, should be free. Manufactured, one-eighth cent or $2.50 per ton is ample, since the exporter grinds coarse, and with freights is big protection. The best manufactured baryta sells at $18 per ton, free of freight; at factory, about $15; the cheaper grades as low as $10 per ton. Great home competition.

Vermilions from quicksilver. A trust pure and simple; should be free.

Vermilions from lead products. Partially a trust; 2 cents per pound on a cost of 8 cents per pound should be ample.

Zinc oxide of: A trust of the worst kind. Cost of it not over 2½ to 3 cents per pound; duty is 1¼ cents; should be free for the reason that no exporter can compete. American oxides, with hard-coal screenings: Exporters have no such coals, and can not make only from the spelter, while we use only the raw ores.

Borax: A trust solid; should be free or only 1 cent per pound.

Whiting: No chalk found in this country; all imported; chalk should be free; one-eighth on whiting ample; cost is only $8 per ton.

Lampblack: A trust; one firm controls all the lampblack made in this country; should be free.

Bristles: None in this country fit to make a decent brush; raised hogs not allowed to get age enough; but come from Russia; should be free; duty now only 10 cents per pound; and even McKinley reduced it.

Gold leaf: $1 per pack is ample to protect; sells for $6.50 per pack.

Silver leaf sells for $1.10 per pack; 25 cents per pack ample.

Bronze powder: Very little made in this country; 10 per cent ad valorem ample; average cost is 40 cents per pound.

Bronze or Dutch metal: McKinley increased outrageously. Bulk of it is used on cheap picture frames for poor people. Cost of a pack of

500 leaves in Germany is about 20 cents; duty is 40 cents per pack. None made in this country at all; 10 per cent ad valorem is ample.

Yours truly,

COIT & Co.

ALUM.

(Paragraph 9.)

NEW YORK, *September 22, 1893.*

I inclose a statement calling attention to one of the most glaring absurdities of the present tariff, viz., alumina, the duty on which brings no revenue and yet amounts to a heavy tax on the people.

Yours, truly,

E. C. KLIPSTEIN.

Alum, or sulphate of alumina, costs in Europe 7 to 8 marks per 100 kilos, or about 85 to 90 cents per 100 pounds. The present duty, 60 cents per 100 pounds, is equal to 75 per cent. The amount made in the United States in 1890, about 60,000,000 pounds; the amount imported in 1890, 6,800,000 pounds, producing a revenue of $40,932.22. In 1891 only 4,600,000 pounds were imported, producing only $27,907.90 revenue. Its importation decreases from year to year.

The average American price $1.75 per 100 pounds, the highest grade being 2 cents. Hence: Cost in Europe, 85 cents; freight, etc., 25 cents; duty, 60 cents; total, $1.70 to $1.75. The consumer pays nearly or quite the whole difference made by the duty, and, according to the above figures, in the year 1890 the paper-makers, etc., of the United States paid $400,000 more for their alum, while the Government only got $40,000.

The consumers of alum are paper-makers, leather manufactures, dyers, and the health boards of cities.

The raw materials for alum-making are oxide of alumina, paying now 25 per cent duty; cryolite, free of duty; bauxite, free of duty; sulphuric acid pays 25 cents per 100 pounds, but can not be imported on account of freight.

Conclusion.—When the duty of 60 cents per 100 pounds was laid on alum it amounted to about 20 to 25 per cent ad valorem. That is quite sufficient for all purposes of protection now. It would injure no one and greatly benefit large industries and the people at large to make both the oxide of alumina and sulphuric acid free and reduce the duty on the sulphate of alumina (alum) to 20 cents per 100 pounds.

BAUXITE.

(Paragraph 9.)

LINWOOD, BARTOW COUNTY, GA., *September 15, 1893.*

SIR: We write to call your attention to the importance of retaining the present duty of 60 cents per hundredweight on alumina to the bauxite interests of the State of Georgia.

Alumina (the oxide of aluminium) is made by purifying the native oxide called bauxite. This mineral exists in large quantities in the counties of Floyd, Polk, and Bartow of the State of Georgia. There are hundreds of thousands of tons of this ore in this district, existing in a strip running from northeast in the State of Georgia to southwest through Cleburne, Calhoun, Cherokee, and Talladega counties, Alabama. This district, with another district in the State of Arkansas, is the only one in which this mineral bauxite exists in the United States.

The output of the mineral has been considerable for the past two or three years, and the demand is constantly growing. The chemical manufacturers as well as the manufacturers of alum and aluminium have

lately found that they can better use the Georgia mineral than pay the duty and purchase their alumina from abroad.

Should the present duty of 60 cents per hundred be removed from this material it will paralyze the interests now purchasing bauxite from Georgia and thereby cripple an important industry that is now developing in Georgia, Alabama, and Arkansas.

We also ask your favorable consideration and action on the subject of placing a duty on foreign bauxite, now on the free list. The demand for this mineral would be largely augmented, and a permanent industry established in the three States mentioned, if a duty was placed on foreign bauxite.

Respectfully,

GEORGIA BAUXITE AND MINING COMPANY,
S. LEWIS JONES, *Secretary and Treasurer.*
B. F. ARMINGTON, *Superintendent and Engineer.*

ALUM AND SODA.

(Paragraphs 9 and 80 et seq.)

PENNSYLVANIA SALT MANUFACTURING COMPANY,
Philadelphia, September 4, 1893.

DEAR SIR: This company is probably the largest single concern in the United States, if not in the world, engaged in the manufacture of alum, alkali, and kindred products. Its factories are located in the counties of Allegheny and Philadelphia, where nearly six millions in cash have been invested. About 65 acres are under roof. Freight handled averages 1,200 tons daily the year round. Several thousand people are dependent upon this industry for support.

The company was organized and commenced operations in 1850, and struggled along until 1863 before it earned a dividend. Had it not been for the tariff of 1862 the institution would have gone into liquidation.

In consequence of the great decline in selling prices, the annual dividends have averaged the past ten years only 4 per cent on six millions.

The average earnings of workmen amount to $570 per annum, compared with $193 in similar factories in Europe.

In two branches of our industry—alum and acid (the latter being required to produce the former)—the following labor and material were used, viz: 20,000,000 of brick; 8,000,000 feet of lumber, 10,000,000 pounds of sheet lead, $300,000 labor, $250,000 for machinery, ironwork, etc.

With the duty off alum and sulphuric acid, the above material would be worth the price of scrap only, unless offset by reduction in labor.

Generally, selling prices of heavy chemicals are lower now than ever before, and it is obvious that any reduction in duty must be met by a corresponding reduction in wages, since labor is the main item of cost in their manufacture.

Vague statements are frequently made, quite unfounded on facts, as regards the reduction which would be effected in the cost of paper, soap, and glass, etc., by the removal of the duties on soda and heavy chemicals. As a matter of fact, the quantity of chemicals used, compared with output of product, is so infinitesimal that it would hardly find its way into the pocket of the consumer.

German alum is being imported, notwithstanding the duty of six-tenths cent per pound—equivalent to 48 per cent ad valorem. Upon investigation by the writer, who visited Germany with that purpose in view, it was found that women were employed in its manufacture, earning about 36 cents per day, compared with $2 paid in our works. Hence their ability to export to the United States.

If duty on alum is removed it would shut up the bauxite mines in the south, as nearly all the bauxite mined is used for alum.

Bleaching powder (chloride of lime) affords a striking example of the beneficial effects of the tariff. It was made free of duty in 1874, thereby driving the factories then in existence out of the business. Not a pound has since been made here. The annual importations amount to 80,000 tons. The price is 2⅛ to 2¼ cents per pound. It costs less to make than soda ash, and yet the selling price is over 100 per cent greater. Had the duty been continued the consumer, in our opinion, would be purchasing his supplies to-day under 1 cent per pound.

The total capital invested in alum, alkali, and kindred products in the United States is about $35,000,000. The increase since 1890 has been marvelous.

Firmly believing that the Government, the consumer, and the wage-earner would derive greater benefit by a continuance of the present duty on heavy chemicals, we trust your honorable committee will favorably consider our petition to make no changes except as noted.

Your attention is respectfully asked to the following facts as to the duties on alum, soda, and other chemicals:

Alum.—Wages per week in Europe, $2.40 to $4.20; wages per week in United States, $9 to $15. Annual importation, 3,000 tons; produced in United States, 75,000 tons.

Articles used in the manufacture: bauxite, found in Alabama, Georgia, South Carolina, and Indiana, and kryolith, found in Greenland.

Uses.—Paper-making, dyers, and calico printers.

Average price in the United States eight-tenths to 1.6 cents per pound, according to quality. Average price in Europe three-fourths to 1¼ cents per pound, according to quality. Average price in United States of foreign alum before the present duty 3½ to 4½ cents per pound, according to quality. Present duty is six-tenths cent per pound.

The duty on alumina, alum, alum cake, patent alum, sulphate of alumina, and aluminous cake, and alum in crystals or ground, per paragraph 9, Schedule A, is also six-tenths cent per pound.

Several millions of capital are invested in this industry in the United States. Sea freight is 6 shillings or $1.50 per ton.

Bicarbonate soda.—Wages per week in Europe, $3.50 to $5.40; wages per week in United States, $9 to $15. Annual importation, 2,000 tons; produced in the United States per annum, 60,000 tons.

Articles used in the manufacture: Salt, limestone, fuel, sulphuric acid, sulphate ammonia, and kryolith. Bicarbonate soda is used by baking-powder manufacturers, glass-makers, and for medicinal purposes.

Average selling price in United States is 2¼ to 2½ cents per pound; average selling price in Europe is 1½ to 1¾ cents per pound. Average selling price in United States, before any was made here, 4½ cents per pound. Several millions of capital are invested in this industry. Sea freight, $1.50 per ton.

Sal soda and soda ash.—Wages per week in Europe $3.50 to $5.40;

wages per week in United States $9 to $15. Annual importation, about 175,000 tons; made in the United States, 90,000 tons.

Additional works are now being erected in the United States, having an annual capacity of 70,000 tons.

Articles used in the manufacture: Salt, sulphuric acid, lime, coal, ammonia, and kryolith.

Uses.—Soap, textile industry, colors, paper-making, glass-making, and many chemical purposes.

Average price per pound in United States, ninety-five one hundredths cent for sal soda and 1⅛ cents for soda ash. Average price per pound in Europe, six-tenths cent for sal soda and nine-tenths cent for soda ash. Average selling price in United States under practical free trade, 1.8 cents for sal soda and 2.4 cents for soda ash. Duty, one-fourth cent per pound. Several millions are invested in this industry. Sea freight, $1.50 per ton.

Blue vitriol, or sulphate of copper.—Wages per week in Europe, $2.50 to $4.30; wages per week in United States, $9 to $12. Quantity imported per annum, nil; annual production in United States, 15,000 tons.

Articles used in the manufacture: Copper and sulphuric acid.

Uses.—Colors, dyeing and printing, electrical batteries, vineyards, plants, etc.

Average selling price in United States, 3½ to 3⅞ cents per pound; average selling price in Europe, 2¾ cents per pound. Average selling price in United States prior to its manufacture here, 5½ to 6 cents per pound. Duty is two cents per pound. One cent per pound would be a fair duty on this article.

Sulphate soda, or salt cake.—Wages per week in Europe, $3.25 to $5.40; wages per week in the United States, $9 to $12. Quantity imported per annum, 15,000 tons; quantity produced in the United States, 40,000 tons.

Articles used in the manufacture: Salt, sulphuric acid, native soda deposits in Western States.

Uses.—Glass-making. Also used for making sal soda, glauber salt, etc.

Average selling price in United States, 55 cents per 100 pounds; average selling price in Europe, 35 cents per 100 pounds; average selling price in United States, under practical free trade, and prior to its manufacture here, 1½ cents per pound. Duty is $1.25 per ton. A million and a half are invested in this industry in the United States.

Caustic soda.—Wages per week in Europe, $3.50 to $6; wages per week in the United States, $9 to $15. Annual importation, 40,000 tons; produced in the United States, 30,000 tons.

Articles used in manufacture: Salt, limestone, coal, sulphuric acid, nitrate soda, kryolith.

Uses.—Soap-making, household uses, paper-making, disinfecting, oil works.

Average selling price in the United States, 2¼ to 2.6 cents per pound; average selling price in Europe 1⅝ to 1⅞ cents per pound. Average selling price in the United States before the tariff 5½ cents per pound. Duty is 1 cent per pound. Several millions are invested in this industry.

Copperas.—Wages per week in Europe, $2.40 to $4.30; wages per week in United States, $9 to $12. Imports about 200 tons; production per annum, 50,000 tons.

Articles used in manufacture: Iron and sulphuric acid,

Uses.—Dyes, colors, disinfectant, ink, medicinal uses,

Average selling price in the United States, one-half cent per pound; average selling price in Europe, one-fourth cent per pound. Duty, three-tenths cent per pound.

Heavy chemicals.

Articles in schedule A.	Present duty.	Duty asked.
Acid, sulphuric	One-fourth cent per pound.	One-fourth cent per pound.
Alum, etc	Six-tenths cent per pound.	Six-tenths cent per pound.
Blue vitriol	Two cents per pound.	One cent per pound.
Copperas	Three-tenths cent per pound.	Three-tenths cent per pound.
Bicarbonate soda	One cent per pound.	One cent per pound.
Caustic soda	....do....	Do.
Sal soda	One-fourth cent per pound.	One-fourth cent per pound.
Sulphate of soda	$1.25 per ton	$1.25 per ton.

Schedule C, paragraph 133.—Would suggest that if duty on copper is retained, that after the words "copper contained therein," the following be inserted, viz, "as found by electrolytic assay," less 1.3 per cent, to conform to the universal commercial system to equal dry assay. Also same insertion in paragraph 191, same schedule.

Respectfully, yours,

THE PENNSYLVANIA SALT MANUFACTURING COMPANY,

THEO. ARMSTRONG,

President.

BORAX.

(Paragraph 14.)

SIRS: As the representative of all, or nearly all, producers of borax in the United States, I had the honor to appear before the Finance Committee of the Senate in the year of 1888, and again before this committee in the month of January, 1890, on both of which occasions, particularly the former, I discussed the various interests connected with borax and attempted to show that this industry was entitled to the fostering care of the Government. The papers then submitted and now on file—one in the Senate and the other in the House of Representatives—pretty thoroughly covered the whole ground of information pertaining not only to borax as an industry, but its position in the arts, manufacture, and commerce of the world. I do not propose here to traverse the ground that I went over then, but in passing desire not only to call your attention to what was then before both the Finance Committee of the Senate and this committee, but to ask that certain portions of same, as may be designated, be incorporated into and form a part of this paper.

The duty on borax in the tariff of 1890 is substantially the same as that in the tariff of 1883, the exception being that the duty on commercial boracic acid was raised from 4 to 5 cents per pound. The borax producers have then for the last ten years or more been working under a tariff practically the same in its character, and the prices during this period have been quite uniform, with one or two exceptions, and to-day

the price in New York, the distributing point for borax produced in this country, is 8 cents per pound for the best grade of refined or powdered refined. Until it was demonstrated here and elsewhere that borax could be produced in quantities to meet the requirements of the trade the price in Liverpool, the principal distributing point, was double what it is to-day. In other words, less than fifteen years ago the price for refined in Liverpool was £60 per ton of 2,240 pounds, while to-day it is barely £30. Borax has entered very largely into consumption and in such articles that its use is thereby indispensable. It is recorded that less than 200 years ago the price of tincal (that is, crude borax) in London was £9 5*s.* a hundred weight, or about $1,000 per ton, and a price current for July, less than one hundred and forty years ago, gives the price at £280 per ton—say $1,400 per ton, or 62½ cents per pound. The early product of borax in the form of tincal, taken from the deposits in California less than thirty years ago sold there for this market at double the price at which the refined article is selling for to-day. When this article, "tincal," had gone through a treatment required to make the borax of commerce, it was then quoted in large parcels from 25 cents per pound upward. To-day the same grade of goods is selling at 8 cents, less than one-third of the price then obtained. The borax producers in this country had many obstacles to contend with not experienced in other parts of the world. Labor in the extreme West has always been very high, and to-day in California a given class of labor commands as high, or higher, figures than in any portion of the United States. Materials for working the mine, particularly iron and all kinds of machinery, were shipped from abroad, say from New York or Liverpool, as the case might be, and then had to be transported into the interior, hundreds of miles, often on the backs of mules and over regions where there were no roads, no supplies for man or beast, even in the shape of water. These deposits, whether in the shape of marshes, as at Death Valley, or in rocky sections, as at Calico, are far inland from the seaport, and require great expense, not only of transportation of material and supplies to the mine, but an equally great expense in bringing thence the products where they can be shipped and put upon the market. The deposits in California and Nevada are the only known ones of any importance, not only in the United States, but in North America. For some years tincal and borate of lime have been produced and worked from South America. The supply, however, is a limited one, and does not seriously disturb prices of borax in the markets of the world. The largest producing deposit known to-day is the one in Asia Minor, lying a short distance from the town of Panderma, a seaport on the Mediterranean Sea. This deposit is probably the largest and most extensive one of its character known. It is rich in boracic acid, the essential ingredient in borax, is convenient to market, and is worked by cheap labor, probably costing not one-third what is paid by the borax producers in this country. It is termed "pandermite," taking its name from the shipping port "Panderma." A very valuable deposit of boracic acid in Tuscany, Italy, has been worked for a number of years and has been a potent factor in the borax product of the world. Anticipating here a question that might possibly arise as to what borax is, or of what it is composed, I desire to state that borax is formed by the combination of boracic acid with soda, that it is included in the general term of borate, which is a salt formed by the union of boracic acid with a base, and this base may be either soda or lime; hence the deposits as worked in this country have been of three kinds, viz.

Tincal, or impure crystallized borax, borate of soda, and borate of lime. Prior to the former law taking effect, July, 1883, and in anticipating its effects, large quantities of boracic acid were shipped to this country and held here in bond or put upon the market, as occasion required. The supply was very large and lasted several years. It had its effect also upon the price of borax, as it was imported before the duty took effect. Probably as a competitor it had something to do with the fluctuation of the price of borax in this country. Since that has been disposed of and taken out of the way the price has not materially advanced, but has been steady and given assurance to the manufacturer and the consumer that any investment made in this article would not be disturbed by sudden and great changes in price. Boracic acid, which formerly came wholly from abroad, is now made here from borate of lime, and is to-day not only equal to the best in the world, but in price much lower than it was before the duty was imposed upon it. The consumption of this article is increasing, and it is manufactured from the products of our own soil, giving employment to hundreds of persons.

The history of borax in this country shows that it is a comparatively new industry, but one that has developed wonderfully in the thirty-seven years since the first borax discovery was made at Clear Lake, in California. Since then, under a beneficent tariff, new properties have been developed until now the annual production of borax in California and Nevada, the only section of the United States in which borax has been found, amounts to 5,000 tons. The first discovery, in 1856, at Clear Lake, was in the form of "tincal," a natural crystallized borax. Borax was then sold in the New York market at 40 cents per pound, and its uses were very limited. Later, deposits of borate of soda, a crude natural borax, were found, and after a time these deposits were used exclusively in the manufacture of borax. With the increased consumption of the article these became exhausted, and the California producers were compelled to turn to another form of borax, borate of lime, practically the only article used to-day in the manufacture of borax. Before these first discoveries in California the price of borax ranged from 25 to 50 cents per pound. Notwithstanding the duty on borax at 5 cents per pound, it is cheaper than ever before, with the exception when ruinous competition took place between some of the leading producers on the Pacific coast, which resulted in a leading citizen of San Francisco being forced into bankruptcy.

The sterile deserts in California and Nevada, where borates are mined, are absolutely worthless, except for these borate deposits. The development of these borax properties has been a great advantage to California and Nevada in developing sections of the two States which would otherwise have been uninhabited wastes to-day. The property has been bought of the Government for the sole purpose of being developed as borax properties, and frequently large sections have been purchased, only small portions of which have yielded any borax. A contrast between the cost of getting a foreign article to market and our own home product will show very clearly the necessity of at least retaining the present duty of 5 cents per pound on borax, in order to save this great mining industry of the West from being forced into a disastrous competition. The foreign article is found in localities near the seaboard. One of the largest deposits of borate of lime is in Asia Minor, a few miles from Panderma, where labor and expenses are very low. From this seaport it is carried to market by water, the cheapest transportation known to commerce. On the other hand, our deposits

in this country are usually miles from the railroad, in the center of barren deserts, where all food and water needed for man and beast must be carried at great expense.

The material for the plants erected has been laboriously freighted in, making the cost of their construction a very unusual one. Then the borax must be hauled many miles to the railroad by great freight wagons specially built for this service, and drawn by long teams of mules. The provender must be carried on these journeys, as there is nothing to sustain life in the desert. In the case of the San Bernardino Borax Company the haul is 60 miles from the mine to the railroad, and the Death Valley Company's over 80 miles. From the railroad shipping points to San Francisco the cost of transportation is as high as the traffic will stand. From there the goods must be transported to New York. If by sailing vessel around the "Horn," a distance of 15,000 miles; if by rail, they must be carried across the continent. This rate alone is usually a full cent for every pound. It will thus be seen how large a proportion of the price obtained for the article in the market is absorbed in producing and bringing it to market. In spite of all these difficulties to be overcome, there has been a steady decrease in the price since the first discovery of borax in this country, and many new uses for this article have been developed through this very cheapness and through new applications. From a limited consumption by blacksmiths and druggists thirty years ago it is to-day probably used for more diverse purposes than any article of recent discovery in this country. It is now absolutely indispensable in many manufacturing lines, and no article for certain purposes can take the place of anhydrous borax.

One of the most extensive uses of borax that has been developed in recent years is its use as a preservative in the packing of meats for the markets of the world. Another recent application is in the manufacture of the excellent cooking utensils which are sold under various names; the agate ware, granite iron ware, iron clad, etc., all receive their durable coating from borax. The potterers use it in large quantities, while to the housekeeper it has become, practically, an indispensable article. Many minor uses of this remarkable article have grown up, which I can not touch upon here.

It may be interesting to give the chemical composition of borax. It is as follows:

Boracic acid	36.58	
Soda	16.25	
Biborate of soda or anhydrous borax	52.83	
Water crystallization	47.17	
Total	100.00	....the prismatic borax of commerce.

I desire to have added to and made a part of this paper what I submitted to the Senate Finance Committee and found in its report No. 2332, Part 2, Fiftieth Congress, first session, pages 205 to 218 inclusive.

J. W. MATHER,
48 Wall street, New York.

SEPTEMBER 19, 1893.

CAMPHOR.

(Paragraph 15.)

THE JAPAN CAMPHOR COMPANY,
New York, September 7, 1893.

SIR: We respectfully submit that the import duty now charged on refined camphor should be reduced, if not entirely removed. This article has, during the last few years, considerably increased in cost, and its consumption has, consequently, become much reduced. The present duty of 4 cents per pound represents about 10 per cent of the value of camphor, and, therefore, a removal of the duty would be a considerable gain to the consumer. The total annual consumption of refined camphor in the United States is about 1,500,000 pounds, but so far almost the whole of this has been refined here, and it is only quite lately that imports have been made from Japan of camphor refined in that country. The interests we represent are those of a company organized under the laws of the State of New Jersey, and we own plant and machinery in Japan for refining camphor.

Respectfully, yours,

GRIBBLE & NASH.

DYESTUFFS.

(Paragraph 18.)

SATURDAY, *September 16, 1893.*

STATEMENT OF MR. WILLIAM J. MATHESON, OF 178 FRONT STREET, NEW YORK CITY.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I may say by way of introduction that I have been in the business of importing and manufacturing dyestuffs for about eighteen years. I am president of William J. Matheson & Co., limited, a corporation with offices and warehouses in New York, Boston, Philadelphia, and Providence, and works at Long Island City in the port of New York.

This company manufactures logwood extracts, sumac, and tanning extracts, carmine, indigotine, and indigo extract, and is one of the largest importers of coal-tar dyes. I am vice-president and treasurer of the Albany Coal-Tar Dye and Chemical Company, manufacturers of coal-tar dyes, popularly known as aniline dyes.

In the two tariffs preceding the tariff of 1890 it is provided that alizarin, natural or artificial, should be free. In the tariff of 1890, as it came from the House of Representatives, and as the bill prepared by the Senate was published, alizarin, natural or artificial, stood exactly as it had previously, free; but after the conference committee had finished with it, and before the President had signed it, to the surprise of every one except one firm of importers, it was found that after the words "alizarin, natural or artificial," were added the words "and dyes commercially known as alizarin yellow, alizarin orange, alizarin green, alizarin blue, alizarin brown, alizarin black." Now alizarin blue, alizarin black, alizarin green, etc., are coal-tar dyes, and are simply called alizarin dyes for "commercial and tariff" purposes.

As an importer I am engaged in importing other coal-tar dyes known as diamine red, diamine yellow, diamine blue, diamine green, diamine orange, diamine black, diamine violet, diamine brown not produced in this country nor likely to be produced in this country, as I hold the patents for them here. My point is that the above two classes of coal-tar dyes, differing only in being separate classes of coal-tar dyes, should be treated alike, both free or both taxed. There is obviously no propriety in basing a discrimination with respect to them on the commercial name. The revenue derived from either of these two classes of dyes, if they paid the regular duty of coal-tar dyes, is insignificant. That from the diamine dyes does not exceed $11,000.

I contend that if the coal-tar dyes, commercially known as alizarin blue, alizarin green, etc., are to be admitted free, then the coal-tar dyes, commercially known as diamine red, diamine yellow, diamine green, diamine orange, diamine black, diamine blue, diamine violet, diamine brown should also be admitted free.

Coal-tar dyes at present pay a duty of 35 per cent ad valorem. The Albany Coal-Tar Dye and Chemical Company I represent is one of the five companies manufacturing coal-tar dyes in this country. We request that all raw material, that is, all coal-tar products not colors or dyes, designed for use in the manufacture of coal-tar colors or dyes, be put on the free list, as per Mr. Tracey's bill, H. R. 167 (they now pay 20 per cent ad valorem). Coal-tar colors or dyes not otherwise specially provided for, now paying 35 per cent ad valorem, could then be reduced to 25 per cent ad valorem without crippling this industry here. The only raw materials for coal-tar colors or dyes now on the free list are aniline oil and arseniate of aniline, which products are used in the manufacture of coal-tar dyes known as soluble and alkali blues and fuchsine or magenta, and the full duty of 35 per cent has been sufficient to enormously increase the manufacture of them here.

I represent the feeling of the entire body of manufacturers of dyewood extracts when I state we are convinced of our error in urging a specific duty as is now in operation in tariff of 1890, and we now desire a return to an ad valorem duty, and would request a duty of 12½ per cent ad valorem on all dyewood extract in place of the specific duty of seven-eighths of a cent per pound, and 25 per cent ad valorem on all extracts of sumac and extracts of bark, etc., or tanning extracts, such as are commonly used for tanning or dyeing, not otherwise specially provided for, in place of the present specific duty. Hematin, or dyes commercially known as hematin, 25 per cent ad valorem, formerly unenumerated and now quite largely manufactured here and the cause of numerous disputes as to classification.

To recapitulate, I request that the coal-tar colors now commercially known as diamine red, diamine yellow, diamine green, diamine orange, diamine black, diamine blue, diamine violet, diamine brown be put on the free list, or else coal-tar colors commercially known as alizarin yellow, alizarin orange, alizarin green, alizarin blue, alizarin brown, alizarin black be stricken from the free list; that the duty on logwood extracts and other dyewoods be changed from seven-eighths of a cent per pound to 12½ per cent ad valorem. The duty on extract of sumac, extract of bark, etc., be 25 per cent ad valorem instead of specific duty. Hematin, or dyes commercially known as hematin, 25 per cent ad valorem; that Mr. Tracey's bill, H. R. 167, for free raw material for coal-tar colors or dyes, be enacted, and, if enacted, that all

coal-tar colors or dyes not otherwise especially provided for be reduced from 35 per cent ad valorem to 25 per cent ad valorem.

Mr. TURNER. Is that word used in the classification?

Mr. MATHESON. No, sir; this class of dyes is parallel with the dyes known as alizarin blue, alizarin black, alizarin green, etc., made from coal tar.

The CHAIRMAN. What is alizarin assistant?

Mr. MATHESON. It is a sulphated oil; it is an oil treated with sulphuric acid, neutralized and used in developing and dyeing alizarin colors. It is artificial alizarin. This artificial alizarin should not be confounded with the dyes I have described here as dyes which are commercially known as alizarin blue, alizarin brown, alizarin black, etc., which are not, properly speaking, alizarin dyes, but the next class of coal-tar dyes, and the point I make is that there should be no difference between the two classes of coal-tar dyes. They both should be taxed or both should be admitted free. There is obviously no propriety in admitting one class of coal-tar dyes free on account of the commercial name simply and another class should have to pay a duty of 35 per cent. That is the great injustice to all importers, and especially to our firm of importers, and we ask that it be corrected.

Mr. TURNER. Why are these coal-tar products so largely manufactured abroad and so little manufactured here; are there patents on the process?

Mr. MATHESON. This was the case long before the numerous patents for colors came into existence, and the chief reason is the difficulty to manufacture these colors. They call for the highest class of talent.

Mr. TURNER. It is the question of skill?

Mr. MATHESON. Yes, sir; they are the most abstruse thing in chemistry. There have been a great many hundreds of thousand of dollars lost by our manufacturers in making them.

Mr. GEAR. They are made mainly in Germany?

Mr. MATHESON. Yes, sir; they are mostly made there. The aniline dyes were originally discovered in England and they held the supremacy for some time until the French took them out of the field, and finally the Germans have gone ahead of everyone. There are five companies in this country manufacturing coal-tar dyes and colors, but they are under a considerable disadvantage on account of the duty on the raw product of 25 per cent, while the finished product is 35 per cent, and the difference between 25 and 35 does not show protection, because it is impossible to get 100 pounds of color from 100 pounds of raw material.

Mr. PAYNE. Are these so-called coal-tar products which you want free of duty manufactured from coal tar?

Mr. MATHESON. They are by-products of the manufacture of gas.

Mr. PAYNE. Coal tar is?

Mr. MATHESON. And the only coal tar that is suitable for the manufacturing of these coal tar-dyes is a by-product of the old-fashioned way of making gas. And here to-day the methods of making gas have so changed by their making water gas and naptha gas which is being used so largely that the coal-tar product is unfit for that purpose. A great deal of coal tar is imported.

Mr. PAYNE. A great many gas companies manufacture from coal exclusively.

Mr. MATHSON. They use coal, but a great deal of gas is used of what is known as water gas.

Mr. PAYNE. A great many manufacture from coal and sell their by-product?

Mr. MATHESON. Their by-product do not amount to anything like what it used to be, because there are cargoes and cargoes brought over.

Mr. PAYNE. It is not cheap as it used to be when it was all gas?

Mr. MATHESON. A great many cargoes of pitch are imported here and coal tar from London.

Mr. PAYNE. Is this the coal tar which comes from making gas?

Mr. MATHESON. No; the proportions are made from that.

Mr. PANYE. Coal tar itself has several hundred different ingredients?

Mr. MATHESON. Yes, sir; it is a basis of all these dyes, and at present they make it their basis, and they can color every dye that is known. There is no possible color that can not be obtained from dyes made of coal tar to-day.

Mr. Chairman and gentlemen, I have nothing else to say, and I thank you.

COAL-TAR PRODUCTS.

(Paragraph 19.)

THE H. W. JAYNE CHEMICAL COMPANY,
Philadelphia, September 25, 1893.

In considering any revision of the tariff we respectfully ask that there be no reduction made in the already low rate of duty of 20 per cent on coal-tar products, not colors or dyes.

The manufacture of refined products from coal tar, for use in medicine, dyeing, and the arts generally, is one of large proportion in England, Germany, and France. This country has been compelled to import all such preparations until a few years ago.

Five works are now in operation in the United States, of which we are the only one manufacturing exclusively refined products. There is no doubt that with continued protection the industry will become an important one in this country.

It has a wide-reaching influence, affecting as it does the manufacture of colors, explosives, perfumery, and medicinal preparations. It has revolutionized the coke industry of Europe, in that it finds a market for the by-products regained from the waste gases of the ovens. Abroad, all the important plants have been rebuilt for this purpose, and three works have started in the United States this year.

Some of the most important products of this class now manufactured here are refined benzoles and coal-tar naphthas, naphthalene, or coal-tar camphor, carbolic acid (crude and refined), salicylic acid and salicylates, acetanilide or antifebrine, oil of myrbane for soap-makers, artificial oil of wintergreen, nitro and dinitro benzole, nitro and dinitro toluol, and nitro naphthalene.

We also ask that the present duty of 20 per cent be extended to cover coal-tar acids of all kinds, which are at present entered free as acids for manufacturing and medicinal purposes.

The clause placing acids in general on the free list was first adopted a number of years ago when the coal-tar acids were few in number and of little importance, and was no doubt intended to apply chiefly to the mineral acids. Since that time, however, owing to the rapid advance in chemistry, the number of acids manufactured from tar products is very large and important.

The preparation of these acids requires large amounts of mineral acids and soda, both of which are more expensive here than abroad, adding materially to the cost of manufacture, while the finished products are free.

An instance of this is shown in carbolic acid. Crude tar oils containing carbolic acid are dutiable at 20 per cent. The caustic soda used in extracting the acid is imported from England, paying a duty of 1 cent per pound, about 45 per cent. After passing through a number of complicated processes the finished product must be sold in competition with foreign acid entered free. The same is true of most of the other important acids.

Under the present rating we have the curious fact that the salts of these acids are protected by 20 per cent.

The testing and recognition of such complicated substances as the coal-tar preparations is of extreme difficulty. It is often impossible to say whether they are acids or not, so that many substances which are dyes, or acids only in name, are admitted free.

The difficulties attending such examinations can be readily attested to by the custom-house appraisers.

Very respectfully, yours,

The H. W. JAYNE CHEMICAL CO.,
H. W. JAYNE, *Treasurer.*

LICORICE PASTE.

(Paragraph 88.)

STATEMENT OF MR. W. W. SKIDDY, OF STAMFORD, CONN.

SATURDAY, *September 16, 1893.*

MR. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I have very little to say and will leave really what I have to say largely in the shape of a short petition. We represent, and when I say we, I refer to Mr. John Leeds who accompanies me, not only our own concern, but we represent largely the trade both in the two lines, namely, the manufacture of licorice paste, and the manufacture of dyestuff not aniline. Mr. Matheson has been speaking of aniline and that we do pretend to represent here:

GENTLEMEN: We, the undersigned, representing the manufacturers of licorice paste and the product extracts of licorice roots in the United States of America, respectfully beg leave to request that in the proposed revision of the tariff now before your honorable body that the rate of duty on "licorice, extracts of, in paste, rolls, or other forms," receive a liberal consideration at your hands. We have never asked for a higher duty than we believed and found necessary for our actual protection, and for these reasons we have from time to time recommended reductions in the rate of duty upon this article.

The original duty on this article was 10 cents per pound, at which time there was also a duty upon the root. Since the abolition of the duty upon the root (it being the crude material from which the manufactured article is made), and under the fostering care of the Government, we have been enabled, through the medium of improvements in machinery, etc., to reduce the cost of production so that in the formation of the tariff bill of 1883 we were enabled to recommend and approve of a reduction to 7½ cents per pound upon the manufactured product. Again in the formation of the Mills and McKinley bills we were enabled to recommend and approve of a rate of 6 cents in the one bill and 5 cents in the other, and we are happy to say that we are now in a position to advocate a reduction from 5½ cents (the present rate of duty) to a rate of 5 cents per pound.

The consumption of licorice paste in this country is confined almost entirely to

the manufacture of tobacco. A very small portion (so small as to be insignificant) is used in confections and medicines, and while it has been manufactured in this country to a greater or lesser extent during the last fifty years, it is only since about 1870 that it has reached the position of a large and important industry, and since that time American manufacturers have established themselves in the Orient, southern Russia, and Spain, for the production of their own root. They are using American capital and shipping the crude material (the root) to this country for manufacture here, thus placing American manufacturers and consumers independent of any foreign monopoly, which, previous to this action on the part of the American manufacturers, was a matter of serious concern; but we feel that a severe or radical reduction on the rate of duty on the manufactured article at this time would seriously jeopardize the interests at home and abroad, and force us back to a position occupied formerly when foreign monopolists supplied this country with paste and root entirely.

The amount of capital invested by American manufacturers in this country, the Orient, and southern Russia is very large, amounting to many millions, and we employ a large amount both common and skilled labor, while foreigners would be enabled to operate with a smaller amount of capital and at much less rate of labor.

Respectfully submitted.

W. W. SKIDDY,
JOHN H. LEEDS,
Committee representing licorice paste, etc., manufacturers of the United States of America.

We are here not only for ourselves but for the whole trade, as they have requested us to do so. I will say very little in relation to licorice, as Mr. Leeds, our director, of whom I have spoken, spends the bulk of the year in Turkey, and attends to the licorice root part, and he can probably enlighten you better than I can. I can only say many years ago the root question was entirely in the hands of an English syndicate or monopoly, and the Americans had to pay whatever the monopoly asked them to. We have tried our very best to raise the root in this country. We have tried it in Florida and in California and in other places, but we can not do it; we wish we could, and therefore we were forced to put an immense amount of capital, hundreds of thousands of dollars, and remain in Turkey constantly for the production of this root, so as to be independent of this monopoly, and it is a God-forsaken country, and how quickly they may euchre us out of all we have we can not tell. It is a very risky business, and we have to take our chances on it. We have not asked for higher protection than we thought we needed. As I state in this paper, three times we not only consented to, but advocated, a reduction in the tariff. We do not want, however, to be put where the foreigners can simply drive us out of the business; we simply want that which is fair and just. Mr. Leeds will speak further in the matter of licorice, and I will now come to the next subject, which is the dyewood business, not, however, including aniline.

The COMMITTEE ON WAYS AND MEANS,
U. S. Congress, Washington, D. C.:

DEAR SIRS: We, the undersigned manufacturers of "extracts and decoctions of logwood and other dyewoods," respectfully remonstrate against any reduction of the tariff on these articles for the following reasons:

That, although this class of dyestuffs is used in other manufactures, principally in cotton, woolen, and silk, it can not properly be considered or treated as raw material, being subject to all the conditions of chemical knowledge, complicated and expensive machinery, skilled labor, etc., incident to scientific manufacture.

It is peculiarly an American industry, originating here many years ago; holding large invested interests, and employing thousands of workmen.

These products were introduced to the world by Americans, who, for a time, held the markets of the world; but subsequently the French began the manufacture of them, and by reason of their cheaper labor, not exceeding half the cost of American labor, and by reason of the fact that France placed prohibitive duties upon these products which secured to the French manufacturers of them the large trade of their own country at profitable prices, they were and are enabled to dispose of their sur-

plus products to the rest of the world at very low figures, and consequently American exports of these products have steadily declined, and by reason of the present very low duty which the United States imposes (seven-eighths cent per pound) American manufacturers are forced to divide a large proportion of the consumption in this country with the French.

The present French tariff on extract of dyewoods blue and black (which means extracts and decoctions of logwood) is equivalent to 1¼ cents per pound, and on extracts of dyewoods yellow and red (which means extracts and decoctions of fustic and redwoods) is equivalent to 2.6 cents per pound.

The value of extracts of dyewoods blue and black and of extracts of dyewoods yellow and red, which includes all the extracts and decoctions of logwood and other dyewoods, is from 6 to 13 cents per pound, according to its form and quality, therefore an ad valorem duty would be more equitable than the present specific duty.

We beg to remind you that the crude dyewoods in logs are the growth of and are imported from the countries of South and Central America, Mexico, and the West Indies, and are paid for by United States products, such as beef, pork, flour, soap, calicoes, etc.

American consumers of extracts and decoctions of dyewoods now obtain them at much less cost than they would if the American industry was ruined or crippled by adverse legislation and the consumers of this country were made dependent upon foreign producers, and had time permitted we could have secured from the cotton, woolen, and silk manufacturers their support to our request that the present duties on our extracts be not reduced, which, in view of their own interests, they have cheerfully given upon past occasions when tariff revision was in progress.

From intelligent consumers of extracts and decoctions of logwood and other dyewoods we learn that the cost of these dyes, at present rate of duty on them, is on cotton cloth, approximately, .00185 per yard, woolen cloth, approximately, .0169 per yard, the increase in cost per yard by reason of the present duty of seven-eighths cent per pound being practically nothing.

In view of the facts which we have presented, we respectfully suggest that the duty on "extracts and decotions of logwood and other dyewoods" be retained at seven-eighths cent per pound, or what would, in view of the range in values of the various extracts be more equitable, be made 10 per cent ad valorem, and that the crude materials (dyewoods in stick) be continued, as heretofore, on the free list.

This we believe your committee, in a spirit of fair trade, will concede to be but a very moderate and slight protection, by no means equal to the difference in labor between the United States and Europe, against which we have to struggle.

Respectfully submitted.
September 11, 1893.

THE STAMFORD MFG. CO.,
New York and Stamford.
A. F. BISSELL, *Treasurer.*
NEW YORK AND BOSTON DYEWOOD CO.,
New York and Boston.
Per JOSEPH BALDWIN, *President.*
JOHN M. SHARPLESS & CO.,
Philadelphia and Chester, Pa.
BROWNING & BROTHERS,
Philadelphia, Pa.
W. WHARTON FISHER,
Philadelphia, Pa.
HARWAY DYEWOOD AND EXTRACT-MFG. CO.,
New York and Flushing.
F. G. PAULY, *President.*
INNIS & CO.,
New York and Poughkeepsie.

These names represent nine-tenths of the trade of the United States in that line. We do not ask—and I think I will be forced to say, as you will notice the discrepancy between this request of ours and the request of Mr. Matheson, that there is a difference—we do not ask for any increase unless you call the ten per cent a little increase over the seven-eighths, which might be a little increase, of course, where the higher grades come in, but taking the average from the lower to the higher grades it would be about the same; it would be about seven-eighths of a cent a pound. All the raw material comes from the East *Indies, Mexico,* and South America and it makes a business in this

country for the exporting of other things. The dyewoods brought into this country are not paid for in cash, they are paid for by exchange. The people of those countries are poor and if we want to buy the material of these people you could not buy it, they do not want the money because they say they do not know what to do with the money and have no place to spend it, but what they want is flour, clothing, etc., and therefore it creates a trade with this country and we are enabled in that way to get the logwood and other dyewoods probably a little bit cheaper than we otherwise would, and of course that helps the manufacturers here to keep up the trade, and we can not feel that we are asking any too much. Seven-eighths cent a pound is about as low as can be put if you put anything on it, and we feel it is a very little protection but it is something, and as we have been living under that for the past two years or so we feel if you will leave us alone we will try to get on and we will have to be satisfied. We are not asking for any advance whatever.

I do not know that there is anything more that I wish to say on this subject, but Mr. Leeds will make a statement in relation to the matter of licorice and then I think we shall not detain you any longer.

STATEMENT OF MR. JOHN H. LEEDS, OF NEW HAVEN, CONN

Mr. CHAIRMAN AND GENTLEMEN: I have no desire to take up your time. Mr. Skiddy has referred to the subject-matter of licorice paste, and upon his reference it was somewhat disassociated from any other manufacture. Now, as a matter of fact, the manufacturer of licorice paste is to a large extent connected with the manufacture of dyewoods, etc. For instance the Stamford Manufacturing Company, of which Mr. Skiddy is president and I am a director, manufacture both articles right near together. I have no desire to speak in reference to the dyewoods, as the memorial and also the statement of Mr. Skiddy fairly well covers the ground in regard to that. I am induced more to make any statement before this committee at this time in order to prove words I have said before this committee in years gone by to have been true, and to show that the statements made in good faith have been carried out. During the past twenty-five years I have been before this committee in the formation of their various bills representing the licorice manufacturers before this committee, and I have made various statements to which you are referred in the archives here.

I have said that during our war, when gold and greenbacks were at 3 to 1, we found it very difficult to obtain supplies, either of logwood or dyestuff, but more especially our licorice root. We found ourselves hampered by monopolies on the other side, the oriental monopoly of the Greek, the Jew, the Turk, the worst of all the English, and some German and some French. Now, I said I would go over there and I would go myself into the field and I would produce a licorice root with American money direct from the soil in the countries in which it is grown (and it is confined to certain Mediterranean and Southern Russia territory), and the Stamford Manufactruing Company built their plant, took a lease under a firman or lease from the Government of Russia and of Turkey to produce our crude material and bring it to this country and manufacture it. By this process I have been able myself to recommend to the committee to reduce this from 10 cents per pound to 7½ cents per pound, to 6 cents, to 5 cents, and it was made 5½ cents, and now I say 5 cents is sufficient. As Mr. Skiddy says, I spend most of my life, that is the last fifteen or more years, in that country, and for twenty

odd years, producing the material and shipping it here. Every American concern used to buy direct from the Orient, but I think now very little is brought from any foreign corporation or operations. The memorial states the uses, etc., and it is something that has been before this committee so often that I think it will be needless to dwell upon it, and I shall most cheerfully answer any question the gentlemen may see fit to put to me.

Mr. TURNER. What is the reason that licorice can not be raised in this country, just because of our climate or skill?

Mr. LEEDS. It is the question of climate. We have tried it in Florida and we have tried it in the valleys in southern California and through New Mexico.

Mr. TURNER. What is the retail price of this licorice free of duty?

Mr. LEEDS. There are two kinds of licorice pastes, Spanish paste and Greek paste. The Greek paste rules the lowest and it is used largely by the tobacco manufacturers. The Spanish is also used by the tobacco manufacturers. The present price of imported Spanish is about 15 to 16 cents, and varies considerably, according to the brand, and the Greek would be imported into this country somewhere about—well, it is very difficult to say, for really I do not know of any importations of Greek.

The CHAIRMAN. The average last year was about 13 cents a pound?

Mr. LEEDS. No, sir; it would be much less.

The CHAIRMAN. The average of the entire import would be 13 cents?

Mr. LEEDS. I should say so.

The CHAIRMAN. Twelve and seven-tenths per cent, I believe?

Mr. LEEDS I should think it is about that.

Mr. TURNER. Then the duty you recommend of 5 cents is somewhere about 40 per cent?

Mr. LEEDS. Yes, sir; about that.

Mr. SKIDDY. I beg your pardon. Mr. Leeds is a little wrong there. There are two kinds of licorice he speaks of—one Spanish and the other Greek. It runs as low as 8 cents up to 16 and 17 cents a pound, so if you will take the average it will be in the neighborhood of 14 to 15 cents a pound. The Spanish paste is a much more expensive article than the Greek.

Mr. TURNER. That is the kind that is most generally used?

Mr. LEEDS. The other is used also.

Mr. TURNER. On the average the lower grade would be the one they use?

Mr. SKIDDY. No, because there are a great many manufacturers who still use the Spanish and will not use the Greek. Whether it is prejudice or not, I am not prepared to say.

Mr. LEEDS. I think the average, I would say the great bulk of consumption used by the tobacco manufacturers is Greek. Much Spanish, however, is used from some cause or reason, choice I presume.

Mr. TURNER. What grade do you make in your product, the Greek or Spanish?

Mr. LEEDS. We make both Spanish and Greek.

Mr. TURNER. What is the difference in the process?

Mr. LEEDS. The difference in the process is in the cost of the root, the Spanish root being a very high-priced root.

Mr. TURNER. Is it expensive to manufacture?

Mr. LEEDS. Yes, sir; that is to say I call it expensive to manufacture from our standpoint.

Mr. TURNER. What do you sell it at?

Mr. LEEDS. Our present large wholesale contract prices are from 8 cents upwards.

Mr. TURNER. And what percentage of that value is labor?

Mr. LEEDS. I would say, approximately about one-third, about that. You will understand that I am producing the root, I am not in the manufacture. I do not run a factory, but that is about it. I know that by my general knowledge of the product.

Mr. TURNER. Really though, you can not speak with accuracy?

Mr. LEEDS. No, sir.

Mr. SKIDDY. I would like, if you will allow me, to state that we have not had time on this occasion, but heretofore we have had the tobacco manufacturers sign petitions and also write letters in relation to and protesting against the reduction. I have copies here of letters by such concerns as the Liggett & Myers Company, the Drummond Company, The Catlin Tobacco Company of St. Louis, and a petition signed by the Lorrilards and Lawrence Loitier & Co., of Richmond (they are not now in the business), and the Venables, of Petersburg, protesting against a reduction of the duty on the licorice paste, for the reason as Messrs. Liggett & Myers state: "We depreciate any action of Congress that will have a tendency to drive us to the use of inferior foreign made licorice, and thereby lowering the standard of our products." We believe that the trade to-day would rather have our licorice than the foreign licorice, but if we are driven out of the market they may go back to the foreign product.

Mr. TURNER. What is the consumption of foreign imported licorice paste in this country?

Mr. SKIDDY. I could not give those exact figures, but I guess I could give it pretty nearly. I should say it is about 24,000,000 pounds. The internal revenue shows about 30,000,000 used annually, but that 30,000,000 includes powdered goods, that takes in all powdered roots, which is largely used; but I should say that the paste proper would be in the neighborhood of 23,000,000 to 24,000,000 pounds.

Mr. TURNER. How many manufacturing establishments are there in the business?

Mr. SKIDDY. There must be a dozen, I think; they are located in Connecticut, New Jersey, and Delaware, and Pennsylvania.

Mr. TURNER. Do the American manufacturers supply the bulk of this article?

Mr. SKIDDY. Yes, sir; they do.

Mr. GEAR. During this time of supply you have reduced the price?

Mr. SKIDDY. Yes, sir; when the manufacture of that article first started in this country they paid 27 cents a pound, and to-day they are getting large quantities at 8 cents.

LICORICE PASTE.

STAMFORD, *September 18, 1893.*

DEAR SIR:

It is impossible for any one to conceive of the hardships and great risks taken in order to secure the licorice root from the Orient and Spain, particularly the former.

As you know, the laws of that country are very lax, and, in fact, as a rule it is difficult to discover that they have any laws, and the main law seems to be that a foreigner must be, and is, at all times at their mercy and sent there for the purpose of being swindled by them to the fullest extent possible.

There are now in Turkey some three or four licorice paste factories, originally belonging to different firms, but now controlled and under the management of an English monopoly, and outside of the paste manufacturers of this country they control the trade, and the same case holds good in Spain, and the only reason that the licorice paste sells to-day at 8 cents per pound is the competition and energy of the

American manufacturers, for prior to this competition licorice paste sold at 27 cents per pound. I know that it has been the custom of many manufacturers to demand a higher rate of duty than they required, expecting the committee to reduce them, and so by compromise give them what they really wanted, but I have never followed out this principle, believing that a true statement of the position would be more appreciated at all times by a committee provided that committee knew that such statement was made in a spirit of frankness, trusting them to treat us in the same manner.

In proof of this statement we refer you to our paper presented in 1883, the Forty-seventh Congress, to the Committee on Ways and Means, and quote from the same:

"We can cheerfully consent to a reduction in licorice paste of 25 per cent—say from 10 to 7½ cents per pound. This, we respectfully submit, would meet any reasonable demand from the class directly interested. In proof of which we refer to the petition of the consumers of more than half of the article."

Again, we quote from our papers submitted in 1888, as follows:

"Insomuch as we are desirous to be consistent with the times and the general desire to reduce the tariff to the lowest protective point, we are enabled to say that we can stand a reduction from 7½ cents per pound to 5 cents per pound on licorice paste, etc."

And again,

"Any legislation that shall cripple the industry in this country will at once throw the entire business into the hands of a few native and English capitalists and again subject the consumer in this country to all the evils incident to such condition.

"We are fully in accord with the sentiment of tariff reform to the extent of free raw material, with the lowest possible protection on the manufactured article, and in suggesting a duty of 5 cents per pound upon licorice paste we do so in compliance with this sentiment as justified by existing conditions, but make free to state that any less rate of duty than 5 cents per pound would, at the present time, cripple the American industry, and thus prevent the possibility of successful competition through which we might all reasonably hope for still greater improvements in the manufacture and cost of production."

Again, in 1890 we asked for a duty of 6 cents instead of 7½ cents, which would appear like asking for an advance, but we quote from our paper submitted at that time:

"In the tariff act passed by the Forty-seventh Congress we cheerfully acquiesced in the reduction of the duty from 10 cents per pound on licorice paste to 7½ cents, the high rate of 10 cents being no longer necessary for our protection. We had confidently hoped and believed that we would be able to get on in successful competition by this time under a duty of 5 cents per pound, and had made a statement to that effect, but circumstances over which we have no control render it necessary for us to ask that the duty be not less than 6 cents per pound in the present proposed McKinley bill."

These papers that I have quoted from, and which have, from time to time, been submitted to the Ways and Means Committee when various tariff bills were under discussion, will fully demonstrate the position I have always maintained in relation to the duty on our articles, and we now, as stated in the paper submitted on Saturday last, show our willingness to a reduction to 5 cents per pound, believing that the proposed bill will be of such a character that our trade can again take the position they did in 1888, and advocate this price of 5 cents, but also state, as they did then, that any less rate of duty at the present time would, we believe, cripple the American industry to a serious extent.

I believe that I have now placed with you my record and that of the trade (for Mr. Leeds and myself have represented them for a great many years) in a light that must be admitted an honest and frank one, and I sincerely hope that the committee will accept the statement made on Saturday, in connection with past statements, as showing a desire on my part to ask for nothing more than is absolutely required.

I would add that the manufacture of licorice paste in this country is carried on in the States of Connecticut, New York, New Jersey, Pennsylvania, Maryland, and Delaware.

DYEWOODS, EXTRACTS, ETC.

It seems as though it would be impossible for me to say more than I did in relation to this subject when before the committee on Saturday, and in connection with the paper signed by manufacturers of this country doing over nine-tenths of the business.

The duty on these articles has never been very high, and many years ago a large *export* business was done, in supplying the wants of France, Germany, and Russia *with dye extracts, but the French* adopting what was purely an American industry *at that time, certainly as far as* the methods of manufacture were concerned, have

built up large factories and have placed upon the said articles a tariff that is virtually prohibitory, thereby having complete control of the French market, which is an immense one, and forcing their surplus manufacture not only throughout Europe, but against us in our own country.

In 1888 we asked for 1 cent a pound, but were allowed only seven-eighths of a cent, and I assure you that it would be an injustice to reduce the rate at the present time to less than that figure, and I can not but feel that it would be fair, and in fact right, to place us at the rate of 1 cent per pound, or 10 per cent ad valorem, but certainly if the committee are not inclined to do this, I do think it would be a great injustice to that line of trade to make any change from the present.

Very truly yours,

W. W. SKIDDY.

FISH GLUE.

(Paragraph 27.)

BOSTON, MASS., *September, 18, 1893.*

SIR: As importers and dealers in the article of Russian beluga fish bladders, sometimes erroneously called isinglass, we would recommend that this article be placed on the free list. This in the interest of different manufacturers, and such action would not in any way injure any domestic interest. We would also take the liberty of remarking as follows, giving other reasons why the present duty of 30 per cent ad valorem should be entirely removed:

All other varieties of foreign fish sounds or fish bladders which we import for use in the production of American ribbon or rolled isinglass, a domestic industry, are free of duty, and this free list includes other cheaper varieties of Russian fish bladders which are used by us, but which are free of duty. Therefore, you have a paradoxical condition of affairs of fish bladders being free of duty, which are used by American manufacturers, whilst the more valuable variety, which is not used by them, is dutiable at 30 per cent. Hence, this ambiguity or paradoxical state of affairs is perhaps somewhat accountable for the difference of opinion on the part of appraisers at different ports of entry. The peculiar wording of the tariff, joined to the peculiar nature of the article itself, must necessarily confuse the judgment or make uncertain the decisions of customs officers at different ports of entry. To illustrate, we import three different varieties of Russian beluga fish bladders, and not long ago an invoice was received here by us which included those three different qualities. This department pronounced them all dutiable at 30 per cent, but as we accidentally learned that one of these varieties had been entered at the port in New York as free of duty, we appealed from the decision of the department here to the general board of appraisers in New York, who decided in our favor, so that the duties paid were returned to us. Recently we have received an invoice which includes two varieties of Russian beluga fish bladders, one of which is of the same variety as that which the board of appraisers pronounced free of duty, but as the department here has decided that both varieties are dutiable, we have paid the duty, as usual, under protest, and have again appealed to the board of appraisers for their ruling on this additional invoice.

We recommend that the duty be removed with some confidence, for, singularly as it may seem, it was mainly through the efforts of our firm, through the instrumentality of a deceased partner, that this article was made dutiable at 25 per cent ad valorem by the act of March 3, 1883. There is nothing like it produced in this country, unless you except the

limited quantity procured in the western lakes from the American sturgeon, but inferior in quality; the different varieties of Russian beluga fish bladders being taken from the sturgeon which swim in the Russian waters.

This article is used mainly by manufacturers of leather belting, card clothing, etc., and as it is somewhat costly, selling at St. Petersburg all the way from 9 to 12 shillings sterling per pound, a removal of the duty would not only be an advantage to the American manufacturers, who must use it in their business, but particularly to importers like ourselves, for a high duty on an expensive article of this nature may place the importer, especially at this port of entry, at a manifest disadvantage, as it admits of the possibility, not only for a different construction by customs officers at different ports of entry, but also increases the danger of undervaluation or underweight, whilst if this article is placed on the free list the public generally would be benefited and no American industry would suffer. Aside from this, importers here would then be on a parity with those who import the same goods at other ports of entry, and so be the better able to fairly compete with them.

In conclusion, not only as importers of Russian beluga isinglass, but as manufacturers of American ribbon or rolled isinglass, we can sincerely recommend that Russian beluga fish bladders be put on the free list, as is the case with all the other varieties.

All the above is respectfully submitted.

We remain, very truly yours,

HOWE & FRENCH.

POPPY-SEED OIL.

(Paragraph 41.)

Under the McKinley bill of tariff revision a duty of 32 cents per gallon was placed upon poppy-seed oil, which up to that time had always been admitted free of duty. Inasmuch as it is a product of Africa, and owing to the climate it is impossible to raise the seed from which the oil is expressed in this country, hence no advantage is gained by the import duty, excepting so far as to bring a revenue to the Government.

We are the only importers of poppy-seed oil in the United States, having commenced the business about 1883, and after the expense of time and money, finally created a demand for the article and during the year 1887 imported 15,550 gallons, during the year 1888 imported 51,450 gallons, during the year 1889 imported 89,600 gallons, and during the first eight months of 1890 imported 76,350 gallons. At this time the revised tariff went into effect. Since the duty of 32 cents per gallon on poppy-seed oil was imposed we have imported 3,100 gallons and have paid to the Government, as duty, $992 for the period of nearly three years. Practically the duty is a prohibitory one, and results in a very small revenue to the Government, while almost entirely preventing the sale of the article, and consequently ruining our business, which had just began to be prosperous as the increasing demand year by year demonstrates.

Poppy-seed oil was used in the manufacture of artists' tube colors, and enabled the American manufacturers to produce an article equal to the imported colors.

Before the duty was imposed the average price of poppy-seed oil was about 55 cents per gallon, and at this price it was becoming largely in demand; when, however, a duty of 32 cents per gallon was placed upon it, the cost of the oil was increased just so much, and at a cost of from 85 to 90 cents per gallon our American manufacturers could not afford to use the article and compete with English and French manufacturers of fine colors, who obtain their poppy-seed oil free of duty.

This article is absolutely a raw material; its purpose is to enter into manufactured goods, and to enable our manufacturers to compete in the line of such products the duty must be taken off, and the article of poppy-seed oil must be placed again on the free list.

It is, further, an absolute fact that poppy seed can not be raised in this country in any practical way; hence, the duty as it now stands is in no sense protection to American industry, but a direct preventative, and we respectfully urge that your committee recommend the revision of the tariff law on the article, and have it classified as on the free list.

Respectfully submitted,

ANTOINE COTY & HEWLETT,
20 Platt street, New York City.

NEW YORK, *September 18, 1893.*

SIR: We respectfully write you as to the removal of the present tax of 32 cents per gallon on poppy-seed oil.

This tax was placed for the first time on this article in the last tariff bill. It is an article of which not a gallon is produced in this country, and is used to a limited extent in grinding with white oxide of zinc for certain purposes.

The statistics show for the fiscal year ending 1886 there were only imported into this country some 287,461 pounds, about 766 barrels; for the year ending 1887, a quantity equal to about 1,362 barrels; for the year ending 1888, a quantity equal to about 1,682 barrels; for the year 1889, a quantity equal to 3,041 barrels, after which year we have no statistics at hand to show what quantity was imported; but as a tax of 32 cents per gallon is exceedingly high, it no doubt prohibited importation to any extent; and even although it is only used for certain purposes, yet the increased cost causes buyers to find substitutes, which are not satisfactory.

This tax protects no industries here, and certainly brings in a very small revenue; and could, therefore, no doubt, be removed very advantageously.

Yours, respectfully,

J. W. COULSTON & CO.

LINSEED OIL AND WHITE LEAD.

(Paragraphs 41 and 67.)

MCKEESPORT, PA., *September 4, 1893.*

SIR: All duties should be taken off of white lead in oil or corroded lead, and all duties be taken off of linseed oil and flaxseed. My reasons are, first, that the manufacturers having formed a pool they now make an inferior grade of lead, and by their rules all make by the same formula, hence there is no competition amongst the American manufacturers, and

the consumer has to suffer, and foreign lead, no matter how pure, can not compete. The same reasons hold good for linseed oil so called. It is at present, and has been for several years, adulterated. I have worked at the business since 1851, and say without fear of contradiction that the lead and oil now produced would have had no sale in the '50s. The manufacturers can make good lead, but greed impels them, under the so-called protection laws, to adulterate.

Respectfully,

F. A. CARR, Sr.

SULPHATE OF BARYTA.

(Paragraph 49.)

NEW HAVEN, CONN., *September 16, 1893.*

SIRS: I would call your attention to the present rate of duty on crude or unmanufactured sulphate barytes, and respectfully ask that it be placed upon the free list, it being a raw material, and coming to this country in just the condition in which it is taken out of the earth, and present you the following statement regarding it:

The mills at New Haven, Conn., which I operate, are the oldest engaged in the manufacture of sulphate barytes in this country, having been in continuous operation since 1848, their supply of crude material coming from a place called Cheshire (about 13 miles from New Haven), until about 1875, these mines becoming exhausted, it was found necessary to go abroad for a supply of crude material, as at that time no other mines had been found in this country where the material existed in quantity, with the exception of mines in Missouri, where works had been in operation a number of years.

The duty on crude barytes at that time was 20 per cent ad valorem, or about 60 cents per ton.

Later a tariff bill went into effect making the duty 10 per cent ad valorem, or about 30 cents per ton.

The Mills bill, which failed to pass, placed it on the free list.

The McKinley bill advanced the duty to $1.12 per ton (the present rate), an advance of 30 per cent over the rate of 10 per cent ad valorem.

This advance was made at the request of Western and Southern manufacturers on the ground that the importation of foreign barytes had ruined the business in this country. This was not so, as this mill at New Haven was the only user of foreign barytes, and in using it was simply carrying on their business, which was established forty-five years ago.

The consumption of crude barytes in this country amounts to about 25,000 tons yearly, of which quantity the New Haven mill produces one-fifth, or about 5,000 tons, and that quantity represents the total amount of foreign crude barytes consumed in the United States, and consequently this mill and its employés are the only ones injured by the present rate of duty.

Shortly after 1880 barytes was found in the South in quantity, and several mills were started. These mills and mines were eventually absorbed by one concern, and during the tariff of 10 per cent ad valorem or 30 cents per ton on the crude material a large and prosperous business was established in that section, thereby showing that there was no necessity for any increase in duty.

Repeated attempts to obtain a supply of the crude material for

my works from the mines controlled by the southern makers have always failed, and my works must depend upon foreign crude material for its existence. The western makers are also unaffected by the duty, as none of my production can be shipped there in competition with the the Missouri manufacturers on account of the high freight rates, while at the same time their production can come East on account of the low cost of their crude material, it not costing them over $4 per ton at their works and my material costing $9 per ton at works.

The southern crude costs them at their mills in the vicinity of $4 per ton (not over) and can be laid down in the port of New York where the supply comes in at a much less figure than foreign can free of duty.

I think I have shown that, so far as the matter of protection is concerned, the present rate of duty is not a necessity, as it has not been of any benefit to any American producer and simply an injury to the New Haven mill.

The present rate of duty on the manufactured sulphate barytes is $6.12 per ton, and the quantity imported is estimated at about 2,000 tons per annum, so that even under present rates the manufactured product can be sold to some extent. Without presenting any argument as to the cause, I am fully authorized, I think, in the statement that the total elimination of the duty on the crude material will not in any way affect the importation of the present proportion of the manufactured product (say 10 per cent), and this, it seems to me, in accordance with the proposed tariff changes, which are to distribute the revenue derived from the payment of duties in as fair and equitable a manner as possible, and laws which will permit 10 per cent of the total output of the manufactured article to be imported and thus provide its share of the revenue presents a fair argument for the maintenance of the present rate of duty on the manufactured article.

All American producers are equally interested with me that the present duty on the manufactured article be retained.

I have further assumed that it is the spirit of the new tariff to relieve any unnecessary tax on crude material.

These points briefly represent the basis of my appeal that the present duty on crude barytes of $1.12 per ton be removed and that the present rates on the manufactured article be maintained.

Yours, truly,

GEO. H. BURGESS.

COLORS AND PAINTS.

(Paragraphs 49–61.)

WEDNESDAY, *September 20, 1893.*

STATEMENT OF MR J. SEAVER PAGE, REPRESENTING F. W. DEVOE AND C. T. REYNOLDS COMPANY, OF NEW YORK, AND ON BEHALF OF THE COLOR-MAKERS OF THE UNITED STATES.

MR. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: On behalf of the color-makers of this country I shall have the pleasure of saying just a few words and to assure you they will be very brief. About what we want to say we have condensed here in a little brief to present to

you, and, with your permission, I wish to read this and say a few words afterwards.

To the Committee on Ways and Means, Fifty-third Congress:

The manufacturers of colors and paints in the United States respectfully invite the attention of your committee to the following facts and arguments relative to our industry, which is one requiring much skill, large capital, and employing numbers of workmen who have to be educated to the art.

This industry has been hampered for many years by the tariff, successive revisions having brought but little relief, owing to the fact that sufficient consideration has never been accorded our products in preparing schedules of duties.

All of our raw materials are highly protected, as may be seen by the following table:

Our raw materials.

Raw materials.	Market price abroad (per pound).	Duty.
	Cents.	
Quicksilver	40	10 cents=25 per cent.
Flasks or containers	.....	45 per cent ad valorem.
Yellow prussiate of potash	15	5 cents=35 per cent.
Bichromate of potash	7⅛	3 cents=40 per cent.
Bichromate of soda	5½	3 cents=55 per cent.
Orange mineral	4½	3½ cents=78 per cent.
Red lead	2¾	3 cents=109 per cent.
Carbonate of lead	3½	3 cents=85 per cent.
Acetate of lead	.....	5½ cents.
Nitrate of lead	4	3 cents=75 per cent.
Litharge	2¾	3 cents=109 per cent.
Flour of sulphur	¼ cent.	
Coal tar, colors or dyes	.....	35 per cent.

The following practical formulas will illustrate how the present schedule of duties, in connection with those on our raw material, discriminate against our manufactured products:

Prussian, Chinese, laundry, and all ferrocyanide blues.

100 pounds Prussian potash, yellow, at 5 cents duty	$5.00
100 pounds copperas, at ¼ cent duty	.25
20 pounds oil of vitriol, at ¼ cent duty	.05
18 pounds bichloride of potash, at 3 cents duty	.54
Total duty	5.84

These 238 pounds of chemicals yield but 80 pounds of blue; the remainder of the chemicals are washed out and go to waste. Therefore, 80 pounds of blue receive $5.84 protection on the raw material, equal to $7\frac{30}{100}$ cents per pound. The duty on foreign blue is 6 cents per pound, being $1\frac{30}{100}$ cents per pound discrimination against the domestic color-maker.

Chrome yellow.

100 pounds bichromate of potash, at 3 cents duty	$3.00
280 pounds acetate of lead, at 5½ cents duty	15.40
Total duty	18.40

These 380 pounds of chemicals yield but 220 pounds of chrome yellow; the remainder of the chemicals are washed out and go to waste. Therefore, 220 pounds of chrome yellow receive $18.40 protection on the raw material, equal to $8\frac{36}{100}$ cents per pound. The duty on foreign chrome yellow is $4\frac{80}{100}$ cents per pound, being $3\frac{86}{100}$ cents per pound discrimination against the domestic color-maker.

Chrome green, composed of mixtures of the above blues and yellow, is dutiable at 4½ cents per pound, or on the average 3 cents per pound discrimination.

These examples are simply taken for the comparison of our raw materials against our finished products. To these disadvantages must be added higher cost of labor—48 to 60 cents per day abroad as against $1.75 to $2 here. Also transportation

charges on a large proportion of raw material which is lost in the process of manufacture, the ratio of yield of finished product to material employed being from 1 to 2 or 1 to 3, and even more.

To further illustrate our position, we subjoin the following statistics of imports for the years 1888, 1889, 1890, 1891, and 1892:

	1888.	1889.	1890.	1891.	1892.
Blanc fixe.....pounds..	70,000	.....	.....	173,772	476,163
Blues (20 per cent)	$66,582	$61,265	$71,738	$30,906	.....
Blues (6 cents per pound).....pounds..	.....	.....	.....	150,232	200,666
Chrome yellow (4½ cents per pound).....do....	.....	.....	.....	70,888	153,253
Quicksilver vermilion (25 per cent)	$17,788	$4,001	$5,186	$3,193	.....
Vermilion red (12 cents per pound) .....pounds..	.....	.....	.....	$29,381	$52,037
Lakes and colors (25 per cent).....	$65,771	$428,387	$486,198	$554,158	$486,489

Showing an increase of imports of finished products under the present tariff due to higher duties on our raw material.

We have shown that our industry is actually discriminated against, and we simply ask an adjustment of present schedules, based upon the conditions illustrated, so that we may be able to continue our business. Should the schedules of our raw materials and finished products be revised, we respectfully suggest that it may be on the basis to remove these discriminations.

We also pray that when considering our schedule, specific duties may be adopted on all colors. The character of our products is such that it is practically impossible, even by analysis, to determine their true value, while if made specific the tendency to fraud, undervaluation, and mistakes would be avoided.

Now, gentlemen, in brief, that is my story, and I desire to call your attention to one or two of those particular points. You notice we come before you, not asking that you shall raise duties, not asking that you shall lower duties. We manufacturers believe very much in this great principle of protection, and we do not know upon what line you are going to make any new schedule; but we say to you, in common fairness, if any new schedule is arranged, we shall ask that the changes shall be made relative; that if there is to be any revision of the schedule, or scaling down, let the scaling down be proportionate. I need not tell you how large an industry it is. At least some 50,000 men are employed on relative rates of labor abroad are much less, compared with our own. Some of our friends are just back from Germany, where they had a recent consultation in regard to the color-makers, and the average rate of wages there was from 2 to 2½ and 3 marks, and 3 marks would be about the scale. If I state to you one fact alone—the average rate of duty on color-makers is $2—you can see we are under a very sharp competition on that question alone. Although we may be able, through our machinery, etc., to overcome a great portion, yet it is impossible for us, unless these discriminations are raised, to continue. Raw materials to us are highly protected manufactures to others. We do not ask to break down these duties; but we do ask, in any revision, in any adjustment, that you shall consider the compound article, and not let the component goods get a majority of the protection.

MR. BURROWS. As I understand you, right there a horizontal reduction of the materials going into your product and a reduction upon the finished product would work an injury to you?

Mr. PAGE. Yes, sir; that is, relatively. I want to present this correctly. We should respectfully ask not that the present should be changed in any future matter, but if any horizontal reduction should be made, 25, 10, or 5 per cent, that would work an injury to us.

Mr. BRECKINRIDGE. You mean the compound; these inter-related articles have the higher taxes upon them, which constitute the basis of this finished article?

Mr. PAGE. That is the fact; those are positive facts.

Mr. BRECKINRIDGE. Are these articles which you consume properly taxed as between themselves?

Mr. PAGE. You mean the chemicals?

Mr. BRECKINRIDGE. Yes.

Mr. PAGE. I would hardly like to pass judgment upon that.

Mr. BRECKINRIDGE. I speak of it from your standpoint.

Mr. PAGE. I should class them as reasonably well protected.

Mr. BRECKINRIDGE. I am not speaking so much of the rate as of the symmetry and proper relationship of the rates. Is the proportion proper?

Mr. PAGE. I do not know that I can answer that.

Mr. BRECKINRIDGE. Is there anything incorrect in that?

Mr. PAGE. I could only reply in regard to that by saying that ou products as a rule get 25 per cent duty and the raw products run up to 85.

Mr. BRECKINRIDGE. That is not the point. The point I was inquiring about can better be answered by those who manufacture what you consume than by yourself?

Mr. PAGE. Oh, yes; I am really not competent enough to pass upon that chemical question. I was trying to avoid answering it because I did not want to antagonize anyone else's business at all.

Mr. BRECKINRIDGE. I did not want to lead you into that. I am simply trying to get at the ratio, which is entirely different from the question as to what the rate ought to be; but if we should be able to settle our dispute as to what the rate ought to be, then we still would have to settle the relationship between rates?

Mr. PAGE. Unfortunately, we are on the top shelf, and it is in that interest I am hoping that you will consider us, because we are way beyond. They get a great lot of chippings before it comes to us.

Mr. BRECKINRIDGE. At present what is called the raw material is taxed more than the finished article?

Mr. PAGE. Decidedly.

Mr. BRECKINRIDGE. And, therefore, the tariff discriminates against you?

Mr. PAGE. Yes, sir; doubly and trebly, my associate says.

Mr. BRECKINRIDGE. It discriminates against you?

Mr. PAGE. Heavily against us; yes, sir.

Mr. BRECKINRIDGE. Now, upon the basis of the present tax upon articles which are consumed, what would you consider an equitable tax upon the article you produce?

Mr. PAGE. If the present rate of duty should continue on prussiate of potash and bichromate of potash, we should be advanced 20 per cent. The prussiate of potash is a raw product and the Prussian blue is a compound product.

Mr. BRECKINRIDGE. What is the finished product?

Mr. PAGE. The Prussian blue. That should be raised 20 per cent to be relative.

Mr. BRECKINRIDGE. Twenty per cent above the present rate of duty?

Mr. PAGE. Yes, sir; that is it exactly.

Mr. TURNER. Were you before the last committee; did you advise the committee which prepared this bill?

Mr. PAGE. I regret to say that I had not an opportunity of that sort, but I think some of our men put in a brief. I think so, but we were not able to get exactly what we ought to have, as will be seen by the result here.

MR. TURNER. Was the action of the committee in accordance with the recommendation of that brief?

Mr. PAGE. I think not.

Mr. TURNER. It left the two articles then——

Mr. PAGE. Just the same.

Mr. TURNER. What embarrassment is there between you and the other portions of the trade in regard to giving advice to the trade?

Mr. PAGE. I know of no embarrassment.

Mr. TURNER. You stated just now that you did not wish to antagonize somebody?

Mr. PAGE. Oh, the chemical men, because they are our raw products. They are another industry entirely. Take white lead, for instance; that is another industry. That is a raw product to us, but it pays a very high duty. Take linseed oil; that is another raw product to us.

Mr. TURNER. How long since have you felt the ill effects of these discriminating duties of which you have spoken?

Mr. PAGE. I am sorry to say it has been going on every since the new tariff.

Mr. TURNER. It has materially affected your business?

Mr. PAGE. Materially, as this illustration will show. They are increasing at a steady rate of importation.

Mr. TURNER. How would it suit you to reduce the duties on the raw materials; would that satisfy you or not?

Mr. PAGE. I think that would help us materially.

Mr. TURNER. Materially is a good word.

Mr. HOPKINS. If we were to reduce the duties on these other articles, what effect would likely be had on the production of the other articles which are finished products?

Mr. PAGE. It is just upon that point I wanted to avoid making any criticisms. I do not know enough of their business to warrant a statement of what it would do, but I must say in frankness that if you reduce them we could stand it.

Mr. HOPKINS. If you would reduce them and they went out of business, then you would get——

Mr. PAGE. I have no desire to do that; I do not think we would be better off if they were out.

Mr. HOPKINS. The principal trouble with you, if I understand you, is the difference of wages you pay here and what your competitors pay abroad?

Mr. PAGE. Plus the fact our raw materials are taxed beyond the finished product. We have still another article which is even more potent in this illustration than what I have given you. Take the article of quicksilver. We make quicksilver vermilion. It pays a duty of 10 cents a pound. Quicksilver, as known to most all of you, is made abroad. The Spanish Government controls the quicksilver interests, and it is found here in our own country, largely in California. That is about the only place we get the product of quicksilver, but the quicksilver men, singular enough, will sell for export in our home market at a lower price than they will sell to us for manufacture and turn into a vermilion. For instance, the price for export; we have known it to be at times from $30 to $32.50 a flask, while here for our own manufacture it would be $37 to $38 a flask. Now, this discrimination against us is very severe, because the quicksilver pays 10 cents and the quicksilver vermilion only pays 12. There is very little difference, especially if the raw quicksilver could be had cheaper, and the compound product does not get anything like what it should get. Now, if the committee could

find it in their way to reduce our raw material—that is, the quicksilver—we should have a better result in the compound product of vermilion. We do not want, as I said before, to antagonize any business, but we are compelled, in justice to ourselves, to call attention to this fact.

Mr. BRECKINRIDGE. How many pounds of quicksilver are there in a flask?

Mr. PAGE. Seventy-six and one-half pounds.

Mr. BRECKINRIDGE. You have felt the effects of this discrimination of the tariff since the passage of the last bill?

Mr. PAGE. Yes, sir.

Mr. BRECKINRIDGE. You stated the imports?

Mr. PAGE. Yes, sir.

Mr. BRECKINRIDGE. Are you sure these imports are exactly of the same character of goods which you manufacture?

Mr. PAGE. Yes, sir; from actual comparison.

Mr. BRECKINRIDGE. How do you sustain yourself in the output?

Mr. PAGE. That is a surprise to us; when we think how bad it has been, we only wonder how we have lived. I will tell you frankly we have not been doing pretty well, and we are hoping you will help us to do better.

Mr. BRECKINRIDGE. I think you are just in what you state.

Mr. PAGE. Those are solemn facts, I am sorry to tell you.

Mr. BRECKINRIDGE. You have made expenses and a fair living?

Mr. PAGE. Upon my word, we have had a bottle or two, but not enough to go around.

Mr. BRECKINRIDGE. I am glad you have been able to get that.

Mr. PAGE. We do not come here as kickers; all we ask is that while this apple is being cut that you will see a generous portion comes to our plate.

Mr. BRECKINRIDGE. Your position is worse than free trade?

Mr. PAGE. It is worse than that.

Mr. BURROWS. Did you state the amount of capital invested in your industry in the United States; do you know about that?

Mr. PAGE. Yes, sir; the amount we can give you; it is about $20,000,000.

Mr. BURROWS. How much labor is employed?

Mr. PAGE. fifty thousand laboring people.

Mr. HOPKINS. Are those men, women, or children?

Mr. PAGE. Men mostly; we have very few women.

Mr. PAYNE. What article of raw material which you use has advanced since 1890?

Mr. PAGE. Prussiate of potash and bichromate of potash.

Mr. PAYNE. How much?

Mr. PAGE. I think from 3 to 5 per cent.

Mr. DALZELL. Have you, in the statement from which you read, given us the rate of duty which prevails now?

Mr. PAGE. Yes, sir.

Mr. DALZELL. Both the specific and ad valorem equivalents?

Mr. PAGE. My friend tells me I have been entirely too modest in stating the capital in our trade, and he says there is $20,000,000 alone in New York, and that it is really nearer $50,000,000. I have no desire to swell the figures, but we have a very large industry engaged all over the country, and all the cities almost are represented.

Mr. HOPKINS. Are these employés as a rule men of families?

Mr. PAGE. Yes, sir. We have been employing many for a great many years, some of them for thirty-odd years.

Mr. BURROWS. How are these industries distributed over the country? You have been speaking about $20,000,000 capital being invested alone in this business in the city of New York and $50,000,000 in the country?

Mr. PAGE. Illinois, Pennsylvania, Ohio, Michigan, all over the country, generally. My friend thinks I should call your attention to one further point, and that is, in the prussiate of potash there exists a combination between the American and foreign manufacturers, and thus the consumers of the article pay the foreign rate of duty on a product which comes over to this country, and that discrimination is very severe. In the bichromate of potash I think, perhaps, it is not so sharp a discrimination, but it bears against us.

Mr. PAYNE. Are not you mistaken in stating that the prussiate of potash was increased by the tariff act of 1890?

Mr. PAGE. My associate here, who is posted on that, thinks it was.

Mr. PAYNE. The book seems to show you are mistaken.

Mr. PAGE. I am relying upon my friend here, who looks at that; I have an idea it was increased. We have been, however, suffering on this score for some time.

Mr. PAYNE. I guess you will find those rates were not increased on any of your raw materials under that act, but remained as they were under the tariff of 1883.

Mr. HOPKINS. Your real trouble was, the rate was not increased on the compound product produced by you.

Mr. PAGE. Mr. Chairman, that about concludes our story. I am very much obliged to you for this opportunity, and we have tried to make our statement as brief as possible, and the papers will show the points there just exactly as we have stated them.

LAMPBLACK.

(Paragraph 52.)

BOSTON, MASS., *August 31, 1893.*

SIR: I own two factories in Pennsylvania for making carbon black, and respectfully submit to your honorable body my opinions, as follows:

First. That a protective tariff tends to arbitrarily interfere with economic production and fosters less advantageous production.

Secondly. That it tends in a certain measure to take business out of the hands of men who have made a life study of it, and are calculated by training, experience, and self-interest to handle it in the most economical manner, and makes it a football for men who, whatever their inherent intellectual ability and legislative training, are mostly mere amateurs in business and must, of necessity, never under the most favorable circumstances have more than a smattering of the vastly complex and difficult matters which they undertake to control.

The goods I produce are all protected. My chief raw material, natural gas, is not protected; nevertheless I should look with perfect equanimity to seeing the tariff on lampblack and on lubricating oils removed, and it would cheapen my production if the duty on pig iron and on cooperage and on paper were removed.

I, therefore, respectfully solicit and petition that the duties above enumerated be removed, believing that it is for the common welfare

and for my own individual interest, and also for the interest of the men working for me and receiving, in addition to their regular wages, a fixed proportion of the profits.

Very respectfully, yours,

GODFREY L. CABOT.

P. S.—I am not in favor of the immediate removal of all duties. I am in favor of a gradual removal of all duties that have any considerable tendency to foster industries that could not thrive to an equal extent without them; in other words, that interfere with normal conditions as to locality of production.

ULTRAMARINE.

(Paragraph 55.)

STATEMENT OF MR. HENRY MERZ, OF THE FIRM OF THE HELLER & MERZ COMPANY, NEW YORK.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I only want to give a few facts in reference to this industry. Ultramarine was first manufactured here in the year 1870, when the duty of 25 per cent ad valorem was changed to 6 cents per pound specific. At that time, the first two or three years there was no perceptible difference in the prices noted. The European manufacturers never thought that we would be successful in manufacturing any here, as that manufacture is a very intricate and difficult one, and they did not think we would make a success here, but after about two or three years we established ourselves thoroughly and then prices began to go downward. Then the duty was raised from 25 per centum ad valorem to 6 cents a pound. Prices never changed when we started; they were the same. We could not get the full prices of the imported, but we got at that time an average price of about 15 or 16 cents a pound. Three years after these prices had been reduced to about 12 cents and to-day it is 9 cents a pound, and taking the average price of blues at that time we are really getting less now than if there was no duty at all on it. But European manufacturers know very well that we can not stand any further reduction. They were expressing themselves, and particularly one who has been here lately, in reference to the affair, stated to me that they are waiting for your action to reduce the duty, and if you did they will make short work of us. Of course, the price would have to be reduced for a certain time and then they would have their harvest. This is the expression of not only one but all; this seems to be the sentiment of all. To show you that it is not that they make the best ultramarine, can be presented by the fact that we have received the highest price for ultramarine in Canada where there was no duty at all than we received in New York. It was simply a matter of our being in competition, and as soon as we introduced our goods there and had established our trade then the price dropped down in Canada, and ultramarine is sold for less than in Europe, in England, and Germany to-day. We can not get more in Canada than the actual cost, simply because the European manufacturers will not let us have that trade. There is a great difference in the quality of ultramarine, which enables European manufacturers to make a great deal of money on blue, unless competition comes in. Now, for instance, take the

paper blue, the blue used in manufacturing writing paper, book paper, etc. At the time we started the price of that blue was 32 cents a pound, and to-day an excellent article can be sold for less than 15, 12 to 12½ cents a pound. Printing blues for calico printing that used to be 30 to 40 cents, to day are 15 to 18 cents a pound. Printing blues for printing inks and for lithographing, which used to run from 40 cents to $1, and the finest from $1 to $1.25, are sold to-day for 30 cents, all in consequence of our competition here.

We understand that a proposition was made to your body here that there should be an ad valorem duty put on ultramarine. I beg you not to do so, because it is absolutely impossible to collect an ad valorem duty on ultramarine justly and properly. There is no man in the custom-house and no man outside of it except he is a manufacturer of ultramarine, who could tell the exact quality and exact value of ultramarine; it is absolutely impossible. The importer may import ultramarine just as he sells it, say for 50 cents a pound for lithographic establishments and he will put it in the custom-house at 6, 8, or 10 cents a pound, and the custom-house appraiser would not be able to detect the difference. He could not see what the difference is because there are qualities which he can not discriminate and he can not detect. The industry has become of great importance here now. We have actually employed somewhere about 100 people, and the difference in the labor which we pay and the labor wages paid on the other side is very, very great. We pay no less than $10 a week. We generally start a man at $1.50 a day, but we can not keep him more than two or three weeks before we have to give them $10, $11 and $12. On the other side they pay 2½ and 3 marks a day, which would be 15 to 16 marks a week, or $4 a week against our $10. By making it that way, I would be putting their high average of $4 a week against our low average of $10 a week, and that would be about two and one-half times as much. I do not think it possible to have any considerable reduction and compete with the European manufacturer. I can tell you one of our experiences. We had for some time, by means which I can not explain to you now, accumulated a large quantity of ultramarine which we could not sell as largely in the United States as we desired. We tried to sell it elsewhere and we thought we might possibly sell it in England even at a loss. We sent off samples and prices to England and found this article, which we sold in the United States at 11 cents a pound, was sold in England at 6½ pence. Of course we were very much gratified at finding that out and we made our office in England so as to get rid of this surplus. As soon as we did this prices were reduced and I did not get more than 9 cents a pound for that, but if I continued at that rate and doubled my product and kept my prices up in the United States as they can keep up their prices there, it would pay us instead of making 28,000 and 30,000 to make 40,000 hundred weight. If I get cost price of my product here for exportation and get a reasonable profit here I am all right, but I can not reduce that and there is what the European calculates upon.

Mr. BRYAN. You said you exported?

Mr. MERZ. At that time, when we had a large surplus which was by some very peculiar circumstances in the manipulation, we had a certain blue which we could not dispose of here to an advantage and I tried to dispose of it there.

Mr. BRYAN. Do you sell in Canada?

Mr. MERZ. Not, sir, any more. We have here and there a customer who buys a little.

Mr. BRYAN. When did you export it and sell it abroad cheaper than you could have sold it at home?

Mr. MERZ. With the exception of that one lot that was exported there is very little of it we export. We had a fire which burned us out, and we run short of stock, and we could not export any more.

Mr. BRYAN. You could dispose of it there, but at a declining price?

Mr. MERZ. Yes, sir; we could have disposed of it here at that time, but we could not have disposed of that quantity we had, that would have been absolutely impossible.

Mr. BRYAN. So you sold what you could on this market at one price and then exported it and got a lower price?

Mr. MERZ. That brought a higher price only when it was a small lot—5 tons; but we found we could not get a price, and then of course we did not care to export any more, and at the same time the fire consumed the whole quantity and did away with it and we could not export any more. I only give that as an illustration how it is that the Europeans would do, you know. We did that then, but we can not do that now, as we have got enough to do to supply our home market.

Mr. BRYAN. Is there any other factory?

Mr. MERZ. There is one more.

Mr. BRYAN. You employ 100 men?

Mr. MERZ. Yes, sir.

Mr. BRYAN. How many does the other factory employ?

Mr. MERZ. I suppose about 40.

Mr. BRYAN. So that this industry employs 140 men in the United States?

Mr. MERZ. About that.

Mr. BRYAN. You say your price has been reduced from 16 cents a pound to 10 cents a pound?

Mr. MERZ. I said our average price in 1870 and 1871 was that; but now our average price is 9 cents.

Mr. BRYAN. Does it cost the same to make it now as it did then?

Mr. MERZ. It costs a little less, because the raw material is a little cheaper; not a great deal. At that time there was a duty of $6 a ton on china clay, and then, afterwards, the duty was reduced to $3; but the price on China clay did not change. The cost of soda ash is somewhat less.

Mr. BRYAN. Your profits are not as great now as when you were selling at 16 cents a pound?

Mr. MERZ. No, sir; except by making so much more, our plant is so much larger. Our plant is now three times as large as then and the expense a very large one, because it requires an immense building and an immense plant to make an ordinary small quantity.

Mr. BRYAN. Has your plant been building up as business went along?

Mr. MERZ. Is has been built up in all these years. We have increased the plant from time to time and have made a larger product.

Mr. BRYAN. Let me ask you this question: are you connected in any way with the other firm which manufactures this product?

Mr. MERZ. No, not at all; we are on friendly relations, but not otherwise; we have no business connection.

Mr. BRYAN. Have you an agreement in regard to selling prices?

Mr. MERZ. None at all; no, sir; but there is on the other side. There is a large combination with the manufacturers in Germany and then with those in England and Belgium. I think there are somewhere about 12 or 15 who are a close corporation.

Mr. BRYAN. You mean in each one of these countries is a combination of all together.

Mr. MERZ. They are all together, and thus they are really enabled to compete in an effectual way from all points. There is one in Germany, one in England, and one in Austria, and I think one in Belgium, and they are all under one leadership.

Mr. BRYAN. They are all different associations under one head?

Mr. MERZ. Yes, sir; under one head. So, actually, if you want to buy from one man in Germany you have got to buy from this corporation; you have got to buy from their agent in New York.

Mr. BRYAN. You have to undersell them in Canada in order to compete?

Mr. MERZ. We have; but, of course, we can not undersell them now, because it is beyond our capability.

Mr. BRYAN. But they can not pay the same duty in Canada?

Mr. MERZ. They do not pay any duty at all there; what we sold in Canada goes from the port of New York. Most of the ultramarine goes to New York as the most convenient port of importation for ultramarine. The ultramarine which comes from Hamburg, Bremen, Liverpool, England, and France most all comes via New York to Canada. I will furnish you with a table of statistics about the sales.

Mr. TURNER. Where do you get your raw material?

Mr. MERZ. We got some material here and some from Europe.

Mr. TURNER. Which is which?

Mr. MERZ. We get the greater part of the raw material from Europe. We have not been able to find any clay here that would be a suitable quality for ultramarine, although we are trying all the time to find it. And now we have two or three different qualities of American clays under experiment, seeing what it would do. The soda ash we can not buy, because manufacturers will not sell us any, and we have to buy the English soda ash. We can not get it from Syracuse, and it all comes from England, Belgium, etc.

Mr. BRECKINRIDGE. Ultramarine is your principal product?

Mr. MERZ. Yes, sir; that is right.

Mr. BRECKINRIDGE. What is the present price of ultramarine?

Mr. MERZ. I say its average price isa bout 9 cents a pound; but the price varies for different qualities. The highest price we can get for the finest qualities is somewhere about 18 to 19 cents, and as low as 6 and 7 cents.

Mr. BRECKINRIDGE. When you are selling the best article at 18 and 19 cents what is that article selling for abroad?

Mr. MERZ. Abroad, that article? I will give you an illustration of it——

Mr. BRECKINRIDGE. I just want the price.

Mr. MERZ. Well, there is an article, say, 40 cents a pound; and, say I come in and offer ours at 23 cents; that foreign article goes to 25, and——

Mr. BRECKINRIDGE. I just want to know the current quotations?

Mr. MERZ. They are generally from 40 to 50 per cent higher than our prices until we can get the trade, and if we find a buyer who wants to buy——

Mr. BRECKINRIDGE. I do not want to get into an argument; I am just asking for the current quotation?

Mr. MERZ. That is about the difference.

Mr. BRECKINRIDGE. The current market quotation upon different grades is usually 40 to 50 per cent higher than yours?

Mr. MERZ. Yes, sir; they are usually quoted in the open market at 15 cents.

Mr. BRECKINRIDGE. I understand, then, that the statement is that usually the price is 40 or 50 per cent higher abroad than here?

Mr. MERZ. Yes, sir; the foreign ultramarine is charged so much more than ours until we make a competition in a certain quality and then prices come down.

Mr. BRECKINRIDGE. I am not seeking to develop an argument; I was simply asking you for a few elementary facts, merely market facts.

Mr. DUDLEY. We will include that in the statement; we will have that put in it.

Mr. BRECKINRIDGE. I understand you to say, as a rule, these finer qualities of ultramarine sell for a great deal more abroad than in America?

Mr. MERZ. I would have to qualify my answer, or else the answer may mislead you. They have higher selling prices in Europe than here, that is, they sell at higher prices than here, but when those goods come here and they can not sell on account of competition the price goes down and we are cut out.

Mr. BRECKINRIDGE. You are now explaining what I am not asking you. Now, in the lower grades of ultramarine, what is the usual difference in the price between Europe and this country?

Mr. MERZ. I should think somewhere between 5 and 10 per cent higher than here. I will give you a little illustration about the English blue——

Mr. BRECKINRIDGE. I beg you not to go into an argument on the subject, I simply wanted to know the elementary market facts. What are the principal articles you use in the manufacture of ultramarine?

Mr. MERZ. There are paints——

Mr. BRECKINRIDGE. Such as what?

Mr. MERZ. I mean general paints for tinting, also blue that is used in paper manufacture.

Mr. BRECKINRIDGE. I did not ask what it is used for, I asked what you used in making this article?

Mr. MERZ. We use China clay, soda ash, brimstone, silica, and resin.

Mr. BRECKINRIDGE. What are the principal ingredients?

Mr. MERZ. The China clay, the soda ash, and the brimstone are the principal ones.

Mr. BRECKINRIDGE. There are three or four articles. What per cent of your material is soda ash, estimated in the cost?

Mr. MERZ. I can not tell you exactly in regard to the cost of material. I do not know exactly, as the cost of soda ash varies.

Mr. BRECKINRIDGE. One moment, as I see you have not the drift of my question. If you have an order for a given amount of ultramarine, say $100,000 worth, and you are gathering now your material out of which to make that, you would expend a certain amount on material to make that article. Now what per cent of that money which you expend for material would be expended for soda ash?

Mr. MERZ. That I could not tell exactly now. I simply figure it this way. I use so much soda ash. I have not got that in my mind now what the soda ash alone would be, I could only tell you about 25 or 30 per cent of the cost of the ultramarine is raw material.

Mr. BRECKINRIDGE. Have you figured out what per cent of that 30 per cent each of the ingredients composing the raw material is?

Mr. MERZ. That would be absolutely impossible for me to figure now *in my mind* because I use so much raw material—we use two and a

half times as much raw material, and to figure that out would be very hard.

Mr. BRECKINRIDGE. Do you use more raw material——

Mr. MERZ. We use about more than double the quantity.

Mr. BRECKINRIDGE. What is your point of comparison; you use more raw material than what?

Mr. MERZ. We use more raw material in pounds than we get ultramarine. We would for instance use about 250 pounds of raw material to get 100 pounds of ultramarine.

Mr. BRECKINRIDGE. That has nothing to do with my question. I want to know what per cent of each one of these articles makes the total?

Mr. MERZ. I have gone over that with our chemist, but you must excuse me now from answering it.

Mr. BRECKINRIDGE. Which is your most important raw material?

Mr. MERZ. They are all important. I can not make ultramarine without China clay, nor without soda ash, nor without brimstone.

Mr. BRECKINRIDGE. I beg your pardon. I am not asking what it is chemically, or any chemical question, but I want to know which is commercially the most important, which one do you buy the largest of, and which one you understand to be the most important?

Mr. MERZ. We pay the most for soda ash.

Mr. BRECKINRIDGE. Which is the next most important?

Mr. MERZ. The next, I think, is the brimstone.

Mr. BRECKINRIDGE. And then the next?

Mr. MERZ. China clay.

Mr. BRECKINRIDGE. How much more important is the soda ash than the brimstone?

Mr. MERZ. In the price?

Mr. BRECKINRIDGE. As to the amount you pay.

Mr. MERZ. We buy all of these about even amounts. They are used so close to each other in the compounding of ultramarine it is hardly worth while——

Mr. BRECKINRIDGE. If you keep account of what you spend for soda ash, brimstone and—what is the other article?

Mr. MERZ. China clay.

Mr. BRECKINRIDGE. Your expenditure for one would be as much as the expenditure for the other?

Mr. MERZ. No, I say, it is the quantities.

Mr. BRECKINRIDGE. I am speaking of it commercially.

Mr. MERZ. Commercially soda ash is the most important, and financially it is the most important, because we pay the highest price for it.

Mr. BRECKINRIDGE. You pay more money for soda ash than any other raw material?

Mr. MERZ. We buy about the same quantity, not the same amount in money.

Mr. BRECKINRIDGE. I am speaking of it commercially. I have repeated it now about three or four times. Do you pay more money for soda ash than brimstone?

Mr. MERZ. Yes, sir; we pay more money than for brimstone, because the price of soda ash is higher than the price for brimstone.

Mr. BRECKINRIDGE. I am not going into the price of either soda ash or brimstone, because one might be much less per pound and the other might be more per pound, and your expenditure might be much larger for the one than the other. How much do you pay, not for soda ash, but how much of the total amount of money do you pay——

Mr. MERZ. We buy about 600 tons of soda ash.
Mr. BRECKINRIDGE. How much money?
Mr. MERZ. Six hundred tons of soda ash is about cent and a half, cent and three-quarters a pound.
Mr. GEAR. About $18,000 or $20,000?
Mr. MERZ. Yes, sir.
Mr. BRECKINRIDGE. How much brimstone do you buy a year?
Mr. MERZ. About 600 tons.
Mr. BRECKINRIDGE. How much do you pay for that?
Mr. MERZ. That varies. I think the average price is $20 a ton. It is less now, but the average price is about that.
Mr. BRECKINRIDGE. That is near enough. What else do you buy?
Mr. MERZ. China clay.
Mr. BRECKINRIDGE. How much do you pay for china clay?
Mr. MERZ. We pay $13.50 to $14 a ton.
Mr. BRECKINRIDGE. How many tons do you buy?
Mr. MERZ. Also about 600.
Mr. BRECKINRIDGE. Those are the three chief materials?
Mr. MERZ. Yes, sir.
Mr. BRECKINRIDGE. You have no other material on which you have to spend much money?
Mr. MERZ. Yes, sir; we buy considerable of silica, and that we buy in this country.
Mr. BRECKINRIDGE. How much do you buy?
Mr. MERZ. The quantity of silica used varies with every quality of ultramarine made.
Mr. BRECKINRIDGE. You do not know how much silica you buy a year?
Mr. MERZ. No; I can not tell you what I buy, but I buy when a man comes and says he has fine quality. I might take 50 or 100 tons. It is put aside, because I think I may be too busy and I do not know when I will get a chance to buy that quality again. It is used, but I do not know exactly how much it is during the year. That is the chemist's business.
Mr. BRECKINRIDGE. You do not know how much is used?
Mr. MERZ. No, sir; I could not tell you that exactly.
Mr. BRECKINRIDGE. When you say 50 tons and 100 tons I judge that would last you a long time?
Mr. MERZ. Yes, sir.
Mr. BRECKINRIDGE. You use a great deal less than that in a year?
Mr. MERZ. Yes, sir.
Mr. BRECKINRIDGE. How much do you have to give on an average for a ton of silica?
Mr. MERZ. We pay from $35 to $40 a ton.
Mr. BRECKINRIDGE. Where does that come from?
Mr. MERZ. That comes from the United States.
Mr. BRECKINRIDGE. You get all of your silica from the United States?
Mr. MERZ. Yes, sir.
Mr. BRECKINRIDGE. What other material do you use?
Mr. MERZ. Resin.
Mr. BRECKINRIDGE. Do you get your resin here?
Mr. MERZ. Yes, sir.
Mr. BRECKINRIDGE. How many tons of resin do you use a year?
Mr MERZ. We use resin for other purposes, so I do not know exactly what we would use for ultramarine, and I could not tell. I generally

buy two or three hundred barrels of resin and the chemist takes as much as he wants of it.

Mr. BRECKINRIDGE. I take it then that the resin is not a very important factor.

Mr. MERZ. No, sir; it's a cheap article and is not used to a great extent.

Mr. BRECKINRIDGE. What other important article do you use to any large extent?

Mr. MERZ. We do not use anything to any large extent.

Mr. BRECKINRIDGE. Of course I do not want to go into any minor items.

Mr. MERZ. We do not use anything else.

Mr. BRECKINRIDGE. To whom do you sell this ultramarine?

Mr. MERZ. To the paint people, to the calico people, and printing men, lithographers, and all that sort of people.

Mr. BRECKINRIDGE. How much is manufactured in this country in a year?

Mr. MERZ. I think the whole thing is about 2,800 cwt.

NEW YORK, *September 18, 1893.*

Ultramarine blue was first manufactured in this country in 1870, when the duty was changed from an ad valorem of 25 per cent to a specific duty of 6 cents per pound. The average selling price remained for several years about the same as before, and was on the qualities we manufactured 15 to 16 cents per pound.

As soon as our success was established the European manufacturers reduced the prices and we had to sell at about 12 cents per pound, now at 9 cents per pound, though we are now making better and higher grades than at our start, with the prospect of still lower prices under the pressure of the European combination which embraces the most effective concerns in Germany, England, France, and Belgium.

The decline in prices is only due to our competition as proved by the fact that the higher qualities of ultramarines which we did not make at the start only dropped in price when we came into competition.

Ultramarine used by paper-makers sold for 28 to 30 cents per pound is now sold for from 12 to 15 cents per pound.

Ultramarine, for calico printers and cotton finishers, dropped from 24 and 28 cents per pound to 12 and 15 cents.

Ultramarine, for printing and lithographers' inks, dropped from 40 cents to $1 per pound to 10 to 25 cents per pound.

In Canada, where ultramarine was entered free, it was sold at higher prices than in this country, and has now come down below European prices since and on account of our competition.

Of course exportation had to be stopped.

In England, with ultramarine on the free list, we find prices on an average higher than here, the finer grades being from 4 to 5 cents per pound higher.

The raw material used in manufacturing ultramarine blue is china clay, soda ash, brimstone, silica, and rosin.

For china clay we pay $3 per ton duty. For soda ash we pay one-fourth cent per pound. Brimstone is free.

Of these three materials we use about equal quantities and get about 50 per cent ultramarine from the raw material consumed.

The duty on these materials will cost us 25 cents per hundredweight ultramarine. In this respect we are not much worse off than the

European manufacturers; but as to labor the Europeans are far better situated.

We pay our help from $9 to $12 per week; the Europeans pay from 15 marks, or about $3.75 per week, and making a very liberal allowance, the difference will be at least $6 per week, and amounts to nearly $30,000 in our factories, and in the ultramarine department alone fully $20,000.

The consumption of ultramarine is about 34,000 cwt. per annum, of which 28,000 is made here and about 6,000 cwt. is imported.

If we compute the average reduction, caused by our competition, only 5 cents per pound (which is a very illiberal estimate) the savings of the American consumer amounts to at least one and one-half millions of dollars for the past ten years.

The German ultramarine combination expect a lower duty and thus take chances to drive us out of business by a sharp temporary reduction, and having succeeded in their attempt, will control the ultramarine market of the whole world.

We therefore petition your honorable committee not to make any changes on the duty of ultramarine jeopardizing the interest of this industry.

THE HELLER & MERZ CO.,
HENRY MERZ,
Treasurer.

PHOSPHORUS.

(Paragraph 68.)

TUESDAY, *September 12, 1893.*

STATEMENT OF MR. PENROSE ALLEN, REPRESENTING THE AMERICAN MANUFACTURERS OF PHOSPHORUS.

Mr. Allen read a paper as follows:

SEPTEMBER 11, 1893.

To the Ways and Means Committee of the United States House of Representatives:

We respectfully request that the present duty of 20 cents per pound be allowed to remain on phosphorus.

As we stated in our testimony before the Committee on Ways and Means and the Senate Finance Committee of the Fifty-first Congress (pages 377 to 380 of the printed hearings), the history of phosphorus in this country is:

Until about twenty-five years ago it was not manufactured in this country and was selling from England at $1.50 to $1.20 per pound, and was, we think, entirely free of duty.

A duty of 20 per cent was then put on, and a plant was erected in this country, costing over $100,000. As soon as the American works

were fairly under way English phosphorus was reduced to 75 cents per pound, delivered at New York. This ruined and closed the American works, and the price of English phosphorus was advanced to $1.10 per pound. The American works stood idle several years, were finally bought out, were started up, and English phosphorus again dropped to 75 cents. It was found that a moderate profit could be made at the works at this price by careful management, and they continued about three years, during which time another large plant was erected in this country and, we think, a third one nearly completed.

The English manufacturers now evidently decided to wipe out the industry here, and sold phosphorus at less than 50 cents per pound, delivered at New York. This closed the American works, and they remained closed nearly twelve years, until the McKinley bill increased the duty. During that interval phosphorus sold here at about 75 cents per pound.

The European manufacture is a monopoly, having been entirely controlled by one house for thirty years or more.

The duty was increased by the McKinley bill from 10 cents per pound to 20 cents per pound. The result has been that phosphorus has been sold by the United States manufacturers at less price than it ever before sold in this country and the United States works are producing more than two-thirds of the American consumption. The works in this country have been increased to four times their capacity previous to the passage of the McKinley bill, at which time they were standing idle.

If the duty is reduced the United States manufacturers must close their works on the expiration of present contracts, as history will undoubtedly repeat itself, namely, the English monopoly will undersell us until the United States works are closed and our trained laborers scattered, when the price will be advanced and American consumers will pay very much more than they have paid since the McKinley tariff bill enabled us to take contracts and enlarge our plants.

We believe that the consumers appreciate this and wish the present duty to remain.

All materials entering into the manufacture of phosphorus are produced in this country; the largest item is labor.

Very respectfully, yours,

J. J. ALLEN'S SONS.

RANCOCAS, BURLINGTON COUNTY, N. J.,
September 6, 1893.

To the Honorable Committee of Ways and Means,
House of Representatives, Washington, D. C.:

We, the undersigned, are employed in the phosphorus works at Rancocas, N. J., and have been informed that an effort is being made by the foreign manufacturers to allow phosphorus to come into this country free of duty.

Your petitioners therefore respectfully pray that you will not remove the present duty from phosphorus, as under that duty this works has been rebuilt and has run continuously on full time, whereas for twelve years previous they had been closed. During the time that these works have been running the selling price of phosphorus in this country has been less than when it was furnished by the foreign manufacturers.

We are workmen, depending upon our wages for the support of ourselves and our families, and many of us voted the Democratic ticket at the last election, and we are credibly informed, and do believe, that the removal of the duty from phosphorus would close these works at the expiration of the firm's current contracts for phosphorus.

Therefore, we do most humbly pray that your honoroble committee will allow the present duty on phosphorus to remain.

Harrison Asay, George H. Ellis, and others.

DISTILLED OIL.

(Paragraph 76.)

UNITED OIL COMPANY,
New York, September 23, 1893.

SIR: The Standard Oil companies, and the companies that they directly and indirectly control, are the makers of 98 per cent of all of the pale mineral and lubricating oils from tar used in these States. They control about 95 per cent of all other oils on the eastern seaboard as well as the western. No pale mineral oil is sold to our knowledge except that which is made by them there. They have successfully destroyed all competition in the manufacturing of this article.

We would respectfully ask you, in the interest of all users of machines, from the farmers to the manufacturers, who are the greatest users of this oil, to put such a mineral lubricating oil, either red or yellow in color, with specific gravity 850 or over, on the free list.

Further details or description of oil can be given your committee if desired.

The danger of competition with the Standard companies is too great for any concern to venture in it, as they control such a large percentage of the tar products and whose business methods are such that they would willingly lose money to ruin such a competitor.

Their policy allows them to sell Englishmen, Frenchmen, and other nations a better grade of this oil at 2 cents per gallon under the relative American price here. Why should Americans not enjoy what foreigners have been for years enjoying?

Article 671 in the present tariff admits mineral or paraffin wax free. This should be continued.

On grease, for soap making, wire drawing, or leather dressing, are

admitted free, but thickened rape oil, or other seed oils that are thickened, are not so admitted, which are used here largely to make our mineral oil saponify, or soap, and for no other reason or purpose.

We think it is an injustice to have these thickened oils which require American labor to work up, and which enable the American users of lubricating oils to purchase a better article from their use for less money and a saving to their machinery.

We would respectfully ask you to include all blown or thickened rape seed oil and other thickened seed oils on the free list in your proposed new tariff.

Yours, truly,

UNITED OIL COMPANY,
F. G. COLBY,
President.

CHLORAL HYDRATE.

(Paragraph 76.)

ST. LOUIS, *September 20, 1893.*

We would respectfully ask that chloral hydrate be placed upon the free list in the forthcoming tariff bill. All of the reasons for putting quinine on the free list are applicable to chloral hydrate.

Chloral hydrate is a chemical compound, and properly a raw material which is used principally in the preparation of remedies for insomnia, delirium, and nervous diseases, and therefore should be put upon the free list. It is not manufactured in the United States, except in an experimental way. Prior to the act of 1890 it was dutiable at 25 per cent ad valorem, but under that act its classification has not been accurately determined, the Treasury Department and the United States courts holding it to be dutiable at 25 per cent ad valorem and the Board of United States Appraisers prior to and subsequent to the decisions of the courts holding it to be dutiable at 50 cents per pound, which is equal to 100 per cent ad valorem.

A perusal of the appended opinions of the United States court, Treasury Department, and Board of Appraisers, will give the reader a description of the nature of chloral hydrate and its uses, as well as an understanding of the unfortunate contentions concerning its classification which compel the importer to appeal to the courts upon each importation. The latter can be obviated by mentioning chloral hydrate by name in the forthcoming tariff bill.

Asking a consideration of this subject we are, respectfully,

Yours, truly,

BATTLE & CO.,
Chemists' Corporation,
J. M. BATTLE,
Secretary and Treasurer.

SATURDAY, *September 9, 1893.*

SACCHARINE.

(Paragraph 76.)

STATEMENT OF LOUIS C. RAEGENER.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I have been requested by Messrs. Falkberg, Lees & Co., of Germany, who are manufacturers of saccharine, to appear and protest against the tariff, which is prohibitory, practically, upon the article produced by them, under paragraph 76 of the present tariff bill. This article was taxed 25 per cent, which amounts to something like from $2.50 to $3 a pound. Saccharine is coal-tar sugar. It is more exactly termed a derivative from benzoic acid. Benzoic acid is on the free list. The reason why we believe that this tariff ought to be removed is that, for all practical purposes, it is raw material, and the duty upon it prevents its employment in many domestic industries, which is of more or less importance in aiding and assisting manufactories than the amount collected as duty.

Mr. TURNER. Will you enumerate those domestic uses?

Mr. RAEGENER. Yes, sir; this duty is mainly prohibitive, because this article does not come into competition with any home industry. On the other hand, if the duty were lowered, it is to be presumed, consumption would increase, and, in that case, would produce a revenue. Consequently, it is neither a protective tariff—for this article is not in competition with any similar industry—nor is it a tariff for revenue, for it is prohibitive, prevents consumption, and produces no revenue.

Mr. MCMILLIN. At what price does the article sell in the market?

Mr. RAEGENER. It is worth $12 a pound. It is three hundred to five hundred times sweeter than sugar. The particular substance sells at $12 a pound, and the substance, called, I believe, refined saccharine, is five hundred times sweeter than sugar. It is taxed, under paragraph 76 of the present bill, as a chemical compound; but I believe a protest has lately been made, and it is a question as to whether it is particularly classified or whether or not it ought to come in under the head of coal tar and pay 25 per cent. In the other bill it was 20 per cent.

There is another reason why this high tariff is unnecessary and falls heavily upon the consumer, and that is because it is patented in the United States. It is protected by very strong patents. The patent upon it might be called a foundation patent, because from its very nature, it being a new creation, patents of that kind are generally called foundation patents. That is the reason why this article can not be produced in this country.

If gentlemen ask me for what purposes this article can be used, I will say it can be used for almost all purposes for which sugar can be used, and it can be used for a great many purposes for which sugar can not be used—I mean cane sugar. It is an antiseptic, and is the only sweetening substance which has not fermentation.

It is used in medicine and in the pharmacopœia. It is very valuable in diabetes and a great many other diseases. It can be used in connection with alkaloids, such as quinine, in which it deadens the bitter taste quickly, readily, and cheaply.

Mr. TURNER. Does it substantially subserve the same purpose in dietetics?

Mr. RAEGENER. Yes, sir: it is not injurious. In several works which I have before me it is stated that the substance is somewhat in the nature of a spice, like salt and pepper. It is particularly useful in connection with preserving fruits, and to some extent useful in manufacturing dye bleaches; is generally used in soft drinks, such as soda water and ginger ale. It is used in minute quantities and does not give the sirupy taste, and for that reason is very useful. It prevents fermentation and acts as a preserve. It is used much in that way.

Upon the question as to whether or not it is harmful in its nature, there are a great many authorities which I have collected from eminent sources all over the world who testify to its usefulness as a medicine and as to its harmlessness in every respect. It is particularly well known as a remedy in case of diabetes, for it goes through the system readily and easily.

The use to which it might be put in this country is the sweetening of glucose. In the proportion which I have mentioned it sweetens glucose in quantities of three fourths of a pound of saccharine to a thousand pounds of glucose. In other words, three-fourths of a pound of it in connection with a thousand pounds of glucose would make glucose as sweet as cane sugar. Inasmuch as cane sugar is substantially on the free list, and beet sugar likewise, this might be added to the home industry (in this country in the farming industry)—by the removal of the duty from saccharine. The addition of saccharine to glucose would increase the price of glucose very imperceptably, perhaps only three-fifths of a cent a pound. I have not figured that out, but I take it for granted that, if there was no duty upon saccharine, glucose could be used as a sweetening by the introduction of saccharine, and the price of glucose thereby would be increased only three-fifths of a cent a pound.

The United States letters patent, under which this substance is protected, were granted on June 2, 1885, to Staunton Falkberg, who was a resident of this country and was an assistant professor at the Johns Hopkins University, Baltimore. It being impracticable to make this in this country, he, having wealthy relatives abroad, who were inclined to put money into it for exploitation, caused to be started in the neighborhood of Magdeberg a plant for making it, from which place it is exported. This has been on the market now about seven years. It is used in England in large quantities, and also in larger quantities throughout the world where there is no tariff of this nature.

I do not think it will be necessary for me to occupy the attention of the committee any longer, further than to sum up, as well as I can, by saying that the tariff is not a protective one. This article absolutely does not compete with any domestic industry in this country. It is not a tariff for revenue, because the tariff is as high as $2.50 to $3 a pound, which makes it prohibitive and produces no revenue. Therefore Congress can put it absolutely upon the free list. Certainly it should be reduced, because then it would be possibly productive of some revenue.

I ask the permission of the committee to reduce my remarks, substantially, to writing, and also to send to the committee a little pamphlet which has been printed upon this subject in the English language.

Saccharine is exhibited in Chicago, and for many years has been before the world in use in numerous articles of scientific moment, which I have here before me. I have here a sample flask, which contains saccharine tablets, which are supposed to be three hundred times as

sweet as sugar; and one of these dropped into a glass of water will illustrate what I have said.

Mr. BRECKINRIDGE. You speak of saccharine being used increasing the price of glucose about three-fifths of a cent a pound; that would be increasing the price of the glucose in that improved condition?

Mr. RAEGENER. Exactly; it would be sweetening it, or saccharinizing it, at a cost of about three-fifths of a cent a pound. It would sweeten the glucose without increasing its bulk, as would be the case if sugar were added.

Mr. BRECKINRIDGE. This represents the increased cost of the sweetened glucose.

Mr. RAEGENER. Yes, sir.

Mr. BRECKINRIDGE. I understand you to say, generally, that if used in this way it would cause an increased consumption of glucose and an enlarged market.

Mr. RAEGENER. Yes, sir; you can see the additional advantage. It is three hundred times sweeter than sugar and it takes three-fourths of a pound to sweeten a thousand pounds of glucose, it requiring 225 pounds of sugar to produce the same result. Even if the price were the same it would be no advantage to increase the bulk; and that would be in favor of the saccharine. For certain purposes, such as candy manufacturing, where it is essential to have a bulky sweetening substance, saccharine could not take the place of cane sugar, because it is necessary to have a sweetening substance which also has bulk.

Mr. PAYNE. In 225 pounds of sugar there would be a certain amount of nutriment.

Mr. RAEGENER. Certainly.

Mr. PAYNE. In the saccharine there would not be nutriment?

Mr. RAEGENER. No, sir; it is simply a spice, but it would be an infinitesimal quantity—a thousand pounds of glucose to three-fourths of a pound of saccharine.

Mr. PAYNE. A thousand pounds of glucose would be converted into so many pounds of sugar.

Mr. RAEGENER. Yes, sir.

Mr. PAYNE. It would not add to the bulk.

Mr. RAEGENER. No, not perceptibly.

Mr. PAYNE. Do you consider it cheaper?

Mr. RAEGENER. It is cheaper.

Mr. PAYNE. You say it cost $9 a pound.

Mr. RAEGENER. It costs $12 a pound.

Mr. TURNER. You can buy 225 pounds of raw cane sugar for very much less money than that.

Mr. RAEGENER. The market price is about 5 cents a pound.

Mr. TURNER. That is for refined sugar. I suppose you would use a low grade of sugar.

Mr. RAEGENER. That would be all the more an argument why it would not come in contact with cane sugar.

Mr. TURNER. When you add glucose to sugar you get so much more product.

Mr. RAEGENER. That would be a reason why they do not compete with cane sugar.

Mr. TURNER. I think it would; cane sugar is cheaper.

Mr. RAEGENER. It would not compete with cane sugar.

Mr. PAYNE. It would not be used in glucose, then?

Mr. RAEGENER. Therefore it would do no harm. It would be prac-

tical to use it to expand the sale of glucose if it were cheaper in price. If the duty were reduced it would, perhaps, be much cheaper—$5 or $6.

Mr. PAYNE. It is now worth $12?

Mr. RAEGENER. If the duty were taken off it would bring the price down to $9. It would then be added at about the same price as sugar.

Mr. PAYNE. You say it is not manufactured in this country because there are patents on it?

Mr. RAEGENER. It could not be manufactured here.

Mr. PAYNE. They could manufacture it here except for the patents?

Mr. RAEGENER. I doubt not; and, for the same reason, a great many coal-tar colors could be manufactured in this country because of the raw material which can be obtained cheaper on the other side; that is, the residuum, it seems, can be obtained cheaper on the other side. For that reason most of the coal-tar products are made on the other side.

Mr. PAYNE. If the raw material were free for how much could it be made?

Mr. RAEGENER. Benzoic acid is free, for it is a derivative product, and I said it was in the nature of a raw material, because, by itself, saccharine can not be used. It can not be used for any purpose except in connection with another substance. A great many coal-tar colors are now on the free list, and, for that reason, are not and can not be produced here. They are very necessary for dyeing purposes, and are beneficial in the manufacture of dyers' and weavers' goods. This thing ought to come in free also, for the reason that it is useful for medicine. The revenue is infinitesimally small, and if the committee does not think that it should be entirely free then, if you desire to produce a revenue from it, you certainly ought to lower the tariff.

Mr. PAYNE. It comes in under the head of alkaloids.

Mr. RAEGENER. Yes, sir.

Mr. MCMILLAN. Could you make a calculation as to what rate would enable it to come in and produce a revenue?

Mr. RAEGENER. No, sir; I have not the statistics here. If the committee will permit me to file a brief paper I will do so, and further particulars may be found in this little book, which I will leave with you.

Mr. TURNER. Have you more than one copy of that pamphlet?

Mr. RAEGENER. No; I will send several. I thank you for your attention.

MINERAL SALTS.

(Paragraph 76.)

STATEMENT OF MR. W. W. DUDLEY, ATTORNEY, WASHINGTON, D. C.

MONDAY, *September 18, 1893.*

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: First, I wish to thank you for the courtesy in giving me a half hour of your valuable time at the close of your hearings. I shall endeavor to be as brief as possible, and shall not consume more than half of the time allowed.

I desire to be heard first upon the question of the duties arising under paragraph 76 of the present and existing law found on page 4 of the printed pamphlet, and which comes under the head of "Products or preparations known as the alkalies, alkaloids, distilled oils, essential oils, expressed oils, rendered oils, and all combinations of the fore-

going, and all chemical compounds and salts, not specially provided for in this act, 25 per centum ad valorem."

Now, I wish to call attention to the free list, paragraph 650, and my remarks are addressed to mineral salts, which are a product of the mineral waters which are admitted free by section 650 of the act which is as follows: "Mineral waters, all not artificial."

Mineral waters which are admitted free are those from specified springs in foreign countries which have no duplicates in their analyses in this country. All bottles and cases and packing in which these waters are imported pay a duty, but waters do not. The medicinal salts which are produced by evaporation of these waters at the places where they are found at the springs are subject to a duty of 25 per cent ad valorem. The importers of this article contend that this is an unjust discrimination, as the salts themselves are natural products of the spring as much as mineral water there. They are not sophisticated, they are not adulterated, nor is any admixture of any foreign substance put in them whatever. Therefore they are entitled to admission free as not being in competition with any product of this country whatever. Moreover, they are in their way a specific for certain diseases. I wish to call your attention sharply to the fact duty is laid upon the medicinal product of a spring, say in Germany, for instance, while the water which is from that very same spring is admitted free. We have nothing to say whatever as to the charge upon the bottle in which they are imported, or the packing, on which have it as you may see fit to lay it. The firm I represent are large importers of Carlsbad Sprudle salts, and they wish to say they believe it is unjust discrimination of that product of these medicinal springs which they import, and which is consumed upon prescriptions of a physician, and in this way the water from curative springs of Carlsbad can be brought home to the poor classes of this country. Those who can afford to do so can go there and enjoy the benefit there of these springs by staying at Carlsbad and taking the waters, but the middle classes and the poorer classes can not do it, and yet they suffer from the same diseases and are entitled to the same relief without having to pay a duty upon them.

I have condensed what I have to say in the paper which I will leave with the clerk, and which can be placed in your record.

Mineral waters, all not artificial, and mineral salts of the same, obtained by evaporation, when accompanied by a duly authenticated and satisfactory proof, showing that they are in no way artificially prepared, and are only the product of a designated mineral spring.

WASHINGTON, D. C., *September 18, 1893.*

SIRS: The natural mineral waters from the springs at Carlsbad and elsewhere are, under the operation of paragraph 650, admitted free of duty, and this is confirmed by the decision of the United States customs officials March 22, 1893 (see reference), although the bottles in which they are contained pay a duty of 1½ cents per pound, or about 30 per cent ad valorem. But a duty of 25 per cent ad valorem is laid upon the natural mineral salts, which are obtained from such natural mineral waters by the simple process of evaporation, without any sophistication or the addition of any chemical or other substance whatever, and, in connection therewith, 25 per cent is laid upon the packing and 40 per cent upon bottles in which imported, all of which at present amounts to loading the cost of the natural mineral salts at least 6½ cents on each one-fourth pound bottle.

This matter was fully represented to the Tariff Commission in 1882, and again to the Committee on Ways and Means of 1889, and the testimony of numerous witnesses was given, to the effect that this article of import should be placed upon the free list.

In the testimony of David C. Sturgis, assistant appraiser, port of New York, p. 500, Vol. 1, Tariff Commission of 1882, and of George C. Tichener, special agent, p. 2491, and reports referred to, it is recommended that natural mineral waters and the salts be admitted free. Their reasons apply with double force to natural mineral salts. In a statement filed with the Committee on Ways and Means of the Fifty-first Congress, the facts concerning natural mineral waters, and the salts ob-

tained from the same by evaporation, are fully set forth, and the question involved has had full discussion, both in tariff hearings and in the argument of cases before the customs officers, general appraisers, and officers of the Treasury Department. See Synopsis Opinions 13957, March 22, 1893.

We suggest that the following be adopted as a part of the tariff measure now under consideration by your committee:

In lieu of paragraph 650 of the present tariff law, insert the following in free list. "Mineral waters, all not artificial, and mineral salts of the same, obtained by evaporation, when accompanied by a duly authenticated certificate, and satisfactory proof, showing that they are in no way artificially prepared, and are only the product of a designated mineral spring."

The anomaly is now presented of the admission free of duty of the natural waters of noted mineral springs, while a duty of 25 per cent ad valorem is laid upon the mineral salts obtained by a process of evaporation of the waters of the same springs.

Take, for example, the waters and salts of the Carlsbad Sprudel Springs. The peculiarly specific curative properties of this great spring are well known to all the world, and thousands of American citizens, who can afford to do so, visit the Carlsbad Springs every year, to be cured of diseases which have baffled medical skill, but which have been cured by their use.

Because there are thousands of our citizens who can not afford to go to Carlsbad, who are in the same need of this wonderful specific, the one who can afford the luxury of going to them, they are by the city authorities of Carlsbad officials bottled and sent to this country, in convenient shape for use, admitted free of duty by our Government, and their beneficial effects brought within the reach of the poorest and most needy of the class referred to. But their component medicinal salts, when condensed by evaporating the water in which they were held in solution, and put up in small bottles of one-fourth of a pound each, are subjected to a tariff duty of 25 per cent ad valorem, under the head of a chemical preparation, paragraph 76.

It is used by physicians in cases of diabetes, catarrh of stomach, adiposis, gout, and rheumatism, with the same effect as when administered at the springs. It is unique in its action, and can not be substituted by any artificial or natural product obtained in this country. It should, therefore, come in free of duty, the same as the natural mineral waters, as the levying of this duty on this article only enhances the price to the consumer for whom it is prescribed. These salts are imported for the benefit of those who can not afford to go to these springs for treatment. There is no sound reason why such medicinal salts should be taxed, provided they are the simple and natural salts obtained by evaporation only.

Quinine is admitted free, because it is a necessary medicinal remedy in certain cases, although it is produced in the United States. Natural mineral salts should be admitted free for the same reason. They are almost as generally prescribed by physicians as is quinine and kindred remedies.

Lastly, they can not be used in combination with other medicinal agents, nor used for any other than curative purposes. Hence, they can not properly be classed as "medicinal preparations," but are strictly natural remedies.

We represent in this matter the firm of Eisner & Mendelson, of New York City, who import the Carlsbad Sprudel natural salts, and are authorized to say for them that they are ready and willing to appear before you at any time, and substantiate, by proper certificates of the city of Carlsbad, and by affidavits of experts and chemical analyses, the fact that Carlsbad Sprudel salts are strictly natural salts, obtained from the water of that famous spring by evaporation only, and that they are not sophisticated nor adulterated, nor is any other substance mixed with the product of such evaporation, as they have hitherto frequently done.

On their behalf, therefore, we ask you to add this great medicinal agent to the free list, for the reasons above stated.

Respectfully,

DUDLEY & MICHEM,
For EISNER & MENDELSON.

SUMAC, ETC.

(Paragraph 89.)

STATEMENT OF HON. GEORGE W. COOPER, OF INDIANA.

Mr. CHAIRMAN: Near the close of the last session of Congress I introduced a bill to place cod or fish oil, used for tanners' purposes, degras, sumac, and tallow on the free list.

My attention was called to this class of items by the firm of W. W.

Mooney & Sons, manufacturers of leather, located and doing an extensive business in my home city, Columbus, Ind. I submit for your consideration some correspondence upon these items and some data taken from the official statistics showing the operation and effect of the present law, and also the extent of the leather industry in the United States. I earnestly pray that the committee will put these items on the free list.

Here is an industry in which millions of capital is invested, and thousands of hands employed. It furnishes a market for and consumes nearly all the hides produced in our country; it is making a brave, self-reliant fight for the world's trade in leather and the manufactures of leather, and it is a great hardship that it should be obliged to support a few sporadic grease factories in their spasmodic efforts to supply the trade.

There was an effort to get these items placed upon the free list when the present tariff law was enacted. Statements were then made by those who have a more thorough acquaintance with the controversy, and I ask that you consider also the statements then made before your committee, as well as those taken by the Finance Committee at the Senate hearings. I think these statements conclusively show that all the items mentioned by me should be duty free.

GROUND SUMAC.

Imports in 1892, 10,822,614 pounds; value, $225,821; duties, $43,290, equal 19.16 per cent ad valorem. Large quantities of sumac are produced in Virginia and North Carolina. This domestic sumac is used in making the coarser grades of leather, but can not be used in the finer grades. The sumac imported comes from Italy, and is used in the finer grades of leather. There is no competition between the imported and domestic article, and no injury would result to the latter if ground sumac were made free. Dried sumac (unground) comes in free under paragraph 500 of the tariff.

COD OIL.

This article was free when imported from Canada under the treaty of Washington, prior to the abrogation of certain articles of that treaty which provided for free entry of fish and fish products from the Dominion or from Prince Edward Island (see section 2506 Revised Statutes). It is now dutiable under paragraph 46 of the tariff at 8 cents per gallon. Its present market value in Halifax is 24 cents per gallon, so that the present duty is equal to 33⅓ per cent ad valorem. It should be free, as an article used in dressing and stuffing leather. Imports of whale and fish oils in 1892 were 99,278 gallons; value, $26,377; duties, $7,941.90; equal to 30.11 per cent ad valorem. This should not be confounded with medicinal cod-liver oil, which pays 15 cents per gallon duty. The cod oil used by tanners is made from cod livers and other offal of codfish, but is allowed to become rancid and is unfit for other than manufacturing purposes.

BROWN GREASE OR WOOL GREASE OR DEGRAS.

This article is produced to a limited extent in Rhode Island but, manufacturers have to depend chiefly upon the foreign supply. Imports in 1892, 8,676,996 pounds; value, $194,464; duties, at one-half cent per pound, $43,385, equal to 22.31 per cent ad valorem.

This is a higher rate than that imposed upon perfumed grease or enfleurage pomade, which is dutiable at 20 per cent ad valorem. It should be expressly included in the provision for grease and oils used in stuffing and dressing leather, paragraph 599.

The revenue derived from it is insignificant. Sod oil or French degras is now admitted free under a decision of the board of general appraisers.

TALLOW.

The imports of tallow in 1892 were only 25,906 pounds, upon which there was a duty collected of $259.60. The exports in the same year were 89,780,000 pounds, valued at $4,425,630. There is, therefore, no object in a protective or any duty on tallow.

LEATHER.

The value of leather exported during the last fiscal year was $10,518,363, and of manufactures of leather $2,311,530, making a total of $12,829,893.

COLUMBUS, IND., *February 9, 1893.*

DEAR SIR: There has in the past three months been an advance on cod oil of about 20 per cent, and on American greases, with which foreign degras competes, of from 60 to 100 per cent. The tremendous advance in prices on these materials that are in such general use by tanners is making it very difficult to secure fair profits in our line of trade.

We are, of course, endeavoring to get some advance on finished leather fully in keeping with the advance made on hides, oils, tallow, degras, sumac, and other tanning materials. Most of the imported sumac comes from Sicily, and we believe the duty now is $7.50 per ton of 2,240 pounds, and the price in New York at this time is $62 to $65, while the price of the American product is $36 to $38 at Lynchburg or Richmond, and the facts are that the Sicily sumac does not really compete with the American product, and tanners now using Sicily must continue to do so to get the results required, which they can not with the domestic article, and the duty does not benefit the price of the domestic article. In fact, since the passage of the McKinley law increasing the duty on Sicily, Sicily sumac has advanced considerably and the domestic article has declined fully as much. The reasons therefore we do not attempt to explain, but the fact remains the same.

Yours, very truly,

W. W. MOONEY & SONS.

COLUMBUS, IND., *February 20, 1893.*

DEAR SIR: We are in receipt of a letter from Messrs. George H. Leonard & Co., 201 Purchase street, Boston, Mass., large importers of cod oil, and also dealers in domestic fish oils, from which we quote as follows:

"The present duty on Newfoundland cod oil is 8 cents per wine gallon, which, it certainly seems to us, should be either reduced or removed, as this year, in order to keep pace with the growing demand for pure cod oil, we have already had to import fully three-fourths of all the cod oil we have had, and the duty we have paid this year is from $30,000 to $35,000 on that article alone. It is now so high that what little there is in Newfoundland is now held at 45 cents per gallon, delivered in Boston, duty paid."

During the past two or three years the average price of pure Newfoundland cod oil has been about 32 to 34 cents, and this advance means an increase in the cost of leather of at least 1 cent per pound, so you can readily see that the consumer of this leather is going to pay this duty, if we can possible get him to do so. This is another case of where the foreigner does not pay the tax, but the domestic consumer must and does.

Yours, very truly,

W. W. MOONEY & SONS.

BOSTON, *September 19, 1898.*

DEAR SIR: Your favor of September 16 is received, and I note the effort on the part of the Hon. George W. Cooper to place cod oil, degras, Sicily sumac, etc., on the free list. I shall do all I can to assist Mr. Cooper in this laudable undertaking. Three years ago, when the McKinley bill was being framed, it was proposed to put wool degras on the free list, and I think it was so voted in the Ways and Means Committee, but Senator Allison, of Rhode Island, expecting that some of the woolen mills in his State would put in plants to make it, proposed a specific duty of 1 cent per pound, which, as degras was then worth about 2½ cents a pound, exporter's value, would have quadrupled the duty on this product. Mr. Andrew G. Webster, of Boston, went with me to Washington, where we had a hearing before the Senate Finance Committee in regard to this matter, Senator Aldrich, of Rhode Island, being the strong advocate of the duty, and abetted therein by Messrs. Jerome Marble & Co., of Worcester, Mass., who at that time made the most extravagant and unwarranted statements as to their ability to supply the tanners of the United States in event of the duty being placed on the product. We were able to show that where one workingman would be employed in producing this product one hundred workingmen who handled it in connection with the production of leather would be adversely affected, say nothing about the increased cost to the consumer of leathers in which this article was used. We were also able to show that all degras which had been produced by this concern had not been of good merchantable quality, and that many of their statements could be readily controverted. In spite of the strenuous efforts of Mr. Aldrich in the committee, his associates, after hearing the evidence which we produced, recommended that instead of putting a duty of 1 cent per pound on degras, that they offer us a compromise of one-half cent per pound, which compromise we subsequently accepted, believing that it was better to have saved for the leather fraternity one-half cent per pound on the great amount of degras which they were using than to refuse this concession. The history of the production of degras in this country has been a marked failure. Although the duty was increased from 10 per cent up to one-half cent per pound, or say doubled, as the law now stands, the price has steadily fallen, and American producers have fallen out of the race; Messrs. Marble, in particular, who, we understand, after making this savage fight for the duty, and adding to the price of degras in this country, have withdrawn from the manufacture of the same altogether. We, therefore, think that in the matter of degras there will be little or no opposition to a reduction or abolition of the duty.

Yours, truly,

FREDERIC W. CLARKE.

SCHEDULE B.

EARTHENWARE.

POTTERY.

Schedule B.—90 et seq.

SATURDAY, *September 16, 1893.*

STATEMENT OF HON. GEORGE P. IKIRT, OF EAST LIVERPOOL, OHIO.

Mr. IKIRT. Mr. Chairman and gentlemen of the committee: In view of the fact that this is Saturday afternoon and that there are a number of gentlemen here representing the pottery interest, both manufacturers and pottery workers, and in view of the further fact that we are now half an hour later than the time when we expected to begin, and also for the reason that I am not well, I will cut out much of what I had to say in the beginning and let it go into the report for consideration in future.

I have here the tariff bills for the last ten years in regard to pottery. I will not consume your time with this, but will come down to a recapitulation of all those bills and measures which I have prepared in a tabulated form.

In the first place it is impossible to put these manufactured articles into tabulated form seriatim by reason of the different expressions used. One bill will change the nomenclature used or make a different schedule. By the act of 1890 the duty on lowest grade is 25 per cent; the act of 1883 was 20 per cent; the Tariff Commission recommended 20 per cent; the Senate bill was 20 per cent; the Mills bill was 20 per cent, and the latter bill in addition allowed a crate and package duty which made really 10 per cent more.

Gentlemen, I appear before you to consider the conditions of a legitimate industry. Permit me to preface what I desire to present by a few allegations related to the subject. I believe high wages are due to other causes than high tariffs. New country, workmen more efficient, opportunity for labor more diversified, supply of labor not so frequently in excess of demand are prime causes.

The general tendency of wages is downward and will continue to be so as the demand for labor by reason of improved methods and machinery decreases. Hence the efforts of labor organizations to keep up the price.

I do not believe competition is the greatest factor in lowering prices below what they were in the fifty's. Improved methods and machinery have done more than competition. A line is soon reached where competition must cease if the industry is to exist, but new methods and machinery are introduced, the price falls still lower, and yet the industry prospers and often more than before. I believe that imports should be so levied that those industries that are at a disadvantage by reason of conditions being against them should be favored to the extent not to give a monopoly for protection's sake but sufficient to mark the line of the production cost in the old country and the new. Less than this is an injustice to those connected in anyway with such an industry. More than this is an equal injustice to our American consumers. We should be just to both.

The declaration in favor of a tariff "sufficient to meet the expenditures of the Government economically administered" does not admit of the assumption that it is a pledge or obligation to close American factories and make American tramps for the sole purpose only of making European plutocrats richer. Not at all. And in view of the fact that to defray the expenses of the Government we must raise about five hundred millions of dollars per annum, and that under present conditions there will likely be a deficit of about fifty million dollars, it is evident that legitimate industries can be granted sufficient duty rate to equalize fully the production cost, if they but demonstrate what that is, or that the necessity exists by reason of a marked difference in the cost of production, and providing such rate does not deprive consumers of the benefit of active foreign competition.

TARIFF ACTS AND TARIFF BILLS OF THE LAST TEN YEARS RELATIVE TO THE ART AND INDUSTRY OF POTTERY.

THE MORRILL TARIFF LAW IN FORCE PREVIOUS TO 1883.

[Tariff compilation, 1884.]

On stoneware, above the capacity of 10 gallons, 20 per cent ad valorem.

On brown earthenware and common stoneware, stoneware not ornamented, 25 per cent ad valorem.

On china, porcelain, and Parian ware, gilded, ornamented, or decorated in any manner, 50 per cent ad valorem.

On china, porcelain, and Parian ware, plain white and not decorated in any manner, 45 per cent ad valorem.

On all other earthen, stone, or crockery ware, white, glazed, edged, printed, painted, dipped, or cream-colored, composed of earthy or mineral substances, and not otherwise provided for, 40 per cent ad valorem.

RECOMMENDATIONS OF THE TARIFF COMMISSION.

The Tariff Commission appointed under act of Congress approved May 15, 1882, submitted their report December 4, 1882, and in that report recommended a general reduction of about 20 or 21 per cent on an average tariff of 47 per cent (the old Morrill law, just read), but it did not recommend a reduction on pottery ware, as very generally supposed. On the contrary, on pages 12 and 13 of Report of the Tariff Commission, volume 1, this statement appears:

On white and printed earthenware and on white and decorated china, porcelain, and Parian ware the Commission recommends an increase of duty in each instance of 15 per cent and also a change in the wording of the schedule, which, it is believed, is necessary for the purpose of more clearly describing the articles subject to duty.

The Commission also states, on page 13, that this recommendation is only equivalent to an increase of 5 per cent by reason of the fact that they also recommend the abolition of duties on packages, inland freights, charges, and commissions, which they state was made apparent by all statements to them to be equal to 10 per cent.

THE MORRILL TARIFF LAW OF 1883.

[Tariff compilation, 1884.]

On the 3d of March, 1883, the bill known as the "Morrill bill" (as was also the act that preceded it) was passed, which somewhat changed the classification but allowed the following duties:

On stoneware above the capacity of 10 gallons, 20 per cent ad valorem.

On brown earthenware, common stone and stoneware, not ornamented, 25 per cent *ad valorem.*

On china, porcelain, Parian, and bisque, earthen, stone, and crockery ware including plaques, ornaments, charms, vases, and statuettes, painted, printed, or gilded, or otherwise decorated or ornamented in any manner, 60 per cent ad valorem.

On china, porcelain, Parian, and bisque ware, plain white and not ornamented or decorated in any manner, 55 per cent ad valorem.

On all other earthen, stone, and crockery ware, white, glazed, or edged, composed of earthy or mineral substances not specially enumerated or provided for in this act, 55 per cent ad valorem.

THE PROPOSED MILLS BILL OF 1888.

[Tariff rates, pages 5 and 6, comparing act of 1883 and the Mills bill.]

The tariff as placed by the law in force in 1883, or a 5 per cent increase, as recommended by the Tariff Commission, was too low. This fact was clearly recognized by Mr. Mills in his bill, which passed the House only, when he proposed to increase it, as shown by the fact that he placed the following rates, and a crate and package duty, the Commission said, equaled 10 per cent:

On common brown earthenware and common stone ware and crucibles, 20 per cent ad valorem.

On decorated ware, or ware ornamented in any way, including toys, etc., including china, porcelain, and Parian, 50 per cent ad valorem.

On plain white and not ornamented or decorated in any manner, 40 per cent ad valorem.

On all other earthen, stone, and crockery ware, white, glazed, or edged, composed of earthy or mineral substances, not specially enumerated or provided for in this act, 40 per cent ad valorem.

On each classification a crate and package duty equal to 10 per cent was proposed in addition.

THE PROPOSED SENATE BILL, OR MILLS BILL (H. R. 9051), AS AMENDED BY THE SENATE.

[Fiftieth Congress.]

Brown earthenware, common stoneware, and stoneware not decorated, 20 per cent.

China, porcelain, and Parian ware, gilded, ornamented, or decorated in any manner, 55 per cent.

China, porcelain, Parian and bisque ware, plain white and not decorated in any manner, 50 per cent.

All other earthen, stone, and crockery ware, white, gilded, edged, printed, painted, dipped, or cream-colored, composed of earthy or mineral substances, and not otherwise provided for, 50 per cent.

COMPARISON OF RATES RECOMMENDED BY MILLS BILL AND SENATE BILL BOTH IN 1888.

Senate bill (*no crate and package duty allowed*).	Per cent.	*Mills bill* (*crate and package duty added*).	Per cent.
Common stoneware, etc.	20	Common stoneware, etc.	20 10 — 30
Decorated and ornamented ware, including china, porcelain, etc.	55	Decorated and ornamented ware, including china, porcelain, etc.	50 10 — 60
Plain white and not ornamented or decorated, etc.	50	Plain white and not ornamented or decorated, etc.	40 10 — 50
All other earthen, stone, and crockery ware, composed of earthy or mineral substance, not provided for.	50	All other earthen, stone, and crockery ware, composed of earthy or mineral substance, not provided for.	40 10 —

THE TARIFF LAW OF 1890.

[Present law.]

Followed in the main the same general classification as the law of 1883, but made two residuum clauses or rates where that of 1883 had but one.

It placed a duty on common brown earthenware, stoneware, and crucibles, not ornamented or decorated, of 25 per cent ad valorem.

On china, porcelain, Parian, bisque, earthen, stone, and crockery ware, including plaques, ornaments, toys, vases, and statuettes, painted, tinted, stained, enameled, printed, gilded, or otherwise decorated or ornamented, 60 per cent ad valorem.

If plain white and not ornamented or decorated in any manner, 55 per cent ad valorem.

RESIDUUM CLAUSES.

All other china, porcelain, Parian, bisque, earthen, stone, and crockery ware, and manufactures of the same by whatsoever designation or name known, etc., not specially provided for in this act, if ornamented or decorated in any manner, 60 per cent ad valorem.

If not ornamented or decorated, 55 per cent ad valorem.

It is impossible to put the nomenclature exactly in tabular form, concisely.

Table showing tariff rates on earthenware in laws before 1883, in law of 1883, as proposed by Mills bill, its Senate amendment in act of 1890, its Senate amendment, and as proposed by the Tariff Commission of 1882.

*In Mills bill there was added class of "white granite, common ware," etc., at 35 per cent.

I could not get a copy of the Morrison bill, but it did not recommend but a slight reduction on pottery ware, and not a 20 per cent horizontal cut on all grades of ware, only a slight per cent reduction.

This table shows conclusively that for twenty years it has been recognized by all, irrespective of party, who have considered this subject, that justice and right demands this industry receive recognition. It also shows that all these acts or proposed acts vary in amounts or rates but little, and all cluster round the general average rate of 55 per cent, varying but little either way.

UNFORTUNATE EPISODES IN THE INDUSTRY.

"To err is human, to forgive divine."

It is not my purpose to apologize for wrong, or to disguise any of the facts known to me in connection with this industry. Why should it be? The past in an open book that may be read and known by all men. Local troubles have occurred in this industry as in others, but in view of the fact that a better feeling is sure to exist between manufacturers and their employés when the latter are well paid, I am unable to explain why a reduction of wages of about 10 per cent was made in 1877, or why, after an increase of protection, a reduction of about 8 per cent was made in 1883. Having no information as to why such was done, I can offer no explanation. Neither do I attempt to justify the lockout, in East Liverpool, of 1882. I certainly am opposed, most uncompromisingly, to such actions, but as to the real reasons that inspired such action in either instance, those responsible therefor alone know best. However, that such mistakes have been made, and injustice thereby done, is no cause for retaliation, as no number of wrongs ever made a right. Let right toward the industry prevail, while we indulge the hope that similar mistakes will not again occur.

ENGLISH PRICES PAID TO LABOR COMPARED WITH AMERICAN PRICES.

Prices paid by John Edwards & Sons, of Staffordshire, for white granite, cable shape. (This firm manufactures almost exclusively for the American trade.) English sizes are generally one size smaller than in America. The comparison is with American prices, both being furnished me by a reliable practical potter who has worked ten years in this country and fifteen years in England just previous to coming here.

	Size.	English price.	American price.
		Per doz.	*Per doz.*
Covered dishes	6's	$0.66	$1.00
Do	7's	.72	1.05
Do	8's	.78	1.15
Do	9's	.84	1.30
Sauce tureens, bodies	.....	.72	Not given.
Sauce tureens, stands	.....	Not given.	Not given.
Ewers	9's	.66	.90
Do	6's	.72	1.00
Chambers, jollied	9's	.54	Not given.
Do	6's	.60	Not given.
Jugs*	6's	.54	.70
Do	12's	.42	.55
Do	24's	.36	.45
Do	30's	.30	.42
Do	36's	.26	.36
Do	42's	.26	.30
Dishes, flat and bakers'	2½ in.	.10	.10
Do	3 in.	.10	.10
Do	4 in.	.10	.11
Do	5 in.	.10	.12

*Jugs are over a size larger here than in England.

	Size.	English price.	American price.
		Per doz.	*Per doz.*
Dishes, flat and bakers'	6 in.	$0.12	$0.13
Do	7 in.	.12	.14
Do	8 in.	.12	.16
Do	9 in.	.14	.18
Do	10 in.	.14	.20
Do	11 in.	.14	.22
Do	12 in.	.14	.24
Do	14 in.	.20	.32
Do	16 in.	.30	.40
Wash bowls	6's	.32	Not given.
Do	9's	.30	Not given.
Slop jars	1's	2.64	2.80
Do	2's	2.40	2.60
Do	3's	2.16	2.25
Nappies	3's	.10	.12
Do	4's	.10	.13
Do	5's	.10	.14
Do	6's	.10	.15
Do	7's	.10	.16
Do	8's	.10	.18
Do	9's	.10	.22
Do	10's	.10	.26
Cups *	.....	†.02	(‡)
Saucers §	.....	1.32	2.85
Plates ‖	3 in.	.32	.48
Do	4 in.	.36	.60
Do	5 in.	.42	.96
Do	6 in.	.68	1.08
Do	7 in.	.82	1.20

* Per dozen of 12. † And a fraction. ‡ Made below list—list 4½.
§ Per 60 dozen. ‖ Per 12 dozen.

NOTE.—American prices in almost every branch are much higher, but local conditions govern certain articles at certain places, just as in England, and the prices paid at East Liverpool are below the American list price on wash bowls (9's) plates 7-inch ewers'(9's)flat dishes, nappies, slop jars, soup tureens, and cups, which latter are made in one or two establishments at a fraction less than the English price. Prices lower on about 8 of the kinds of ware out of the 48 kinds on the list. The list price for mold makers in America is $2.50, but they are paid $3 per day.

Taken as a whole the table shows the wages to be very much higher in this country. In order, however, to be more comprehensive, I will submit a table that I think very nearly correct, and which does not differ materially from that just submitted, except it shows the wages per day instead of by the sizes or dozens.

Earnings per day at above prices in England and America, other branches also included—day men.

	England, per day.	America, per day.
Dippers	$1.92	$1.10 to 3.83
Kilnmen	1.20	1.35 to 3.00
Firemen	2.40	2.50 to 3.00
Odd men	.90	1.50
Take-off from dippers (women)	.48	.75
Slip makers or clay pressmen	1.25 to 1.75	1.50 to 2.00
Mold carriers (boys)	.24 to .48	.50 to 1.00
Ware finishers (women, piecework)	.36 to .75	1.00 to 1.50
Engineers	1.50 to 2.00	1.50 to 2.00
Stampers (women)	.50	.75
Warehousemen	1.25 to 2.40	1.50 to 2.00
Warehousewomen	.36 to .60	.60 to .75
Packers	1.75 to 2.40	2.00 to 2.50
Dish makers, average	*2.50	†‡3.00
Plate makers, average	*2.00	†‡2.50
Cup makers, average	*2.00	†‡3.00
Saggermakers, average	*1.75	†2.50
Mold makers	*3.00	†3.00
Pressmen, hollow ware	*1.60	†2.25

* Nine hours. † Ten hours. ‡ Prices paid at East Liverpool are below their list price

MATERIALS USED AND DUTY THEREON.

[Act of 1890.]

BODIES.

Ball clay, imported from England, $1.50 per ton.
China clay, or kaolin, $3 per ton.
Flint, ground, free.
Feldspar, ground, free.
Oxide of cobalt, to stain blue to make whiter, 30 cents per pound.

GLAZES.

Kaolin, $3 per ton.
Feldspar, free.
Borax, crude, 3 cents per pound; refined, 5 cents per pound.
Boracic acid, 5 cents per pound.
Flint, free.
Whiting, ¼ cent per pound.
White lead, 3 cents per pound.
Oxide of tin, 4 cents per pound.
Oxide of zinc, 1½ cents per pound.
Oxide of cobalt, 30 cents per pound.
Colors are largely oxides of cobalt, copper, etc.

DIFFERENCES IN FAVOR OF THE ENGLISH MANUFACTURER (APPROXIMATE).

Plant equipped ready to run costs in America about one-seventh more.

Interest on capital in plant and on running capital: four and one half per cent in England, 6 per cent here.

Materials, including freight and drayage: Body about 15 to 20 per cent higher here, glazes about 45 to 60 per cent, varying by reason of location, etc.

Labor cost above foreign countries, including also clerical help, salesmen, and expenses: No positive information; variously estimated from 75 to 125 per cent (variable by reason of conditions); probably near 200 per cent higher than in Germany.

Loss by breakage and discarded ware: Three or four times greater than England.

Proportionate cost of finished product: Labor, about 66⅔ per cent (more if much experimenting done); material, 33⅓ per cent. Total, 100 per cent.

PRICES OF ORDINARY GRANITE WARE, DECORATED, AND PRICE OF SAME GRADE OF FOREIGN WARE.

[An illustration.]

What the selling price of the various kinds of ware and the profits I know not, but will state what I know as to present prices on a certain grade.

White granite, decorated, complete dinner set of 164 pieces	$18.00
White granite, decorated, complete tea set of 58 pieces	7.50
Tea set almost similar to above, made by another firm, price quoted customer.	7.50
White granite, same as last mentioned, foreign ware, bought within a few days	5.50

GENERAL ESTIMATE OF THE EXTENT OF THE INDUSTRY IN THE UNITED STATES.

[Not official.]

The city of East Liverpool has twenty-eight pottery establishments and two large mills for grinding flint that represent, including value of building sites, etc., a total investment of three and one-half millions of dollars.

The immense output in quantity and tonnage of these twenty-eight factories can be better grasped by the statement of a table I here sub-

mit, showing the number of cars and tonnage for each month during the year ending April 1, 1892.

Number of cars and tonnage received and sent out of East Liverpool for the year ending April 1, 1892.

Month.	Forwarded.		Received.	
	Cars.	Tons.	Cars.	Tons.
1891.				
April	449	4,946	692	9,585
May	582	6,111	810	12,158
June	550	5,259	683	9,589
July	477	4,021	649	9,084
August	514	4,811	681	10,892
September	570	5,548	816	12,470
October	614	5,888	1,027	16,744
November	521	4,335	934	15,449
December	431	3,218	683	10,480
1892.				
January	381	2,730	511	6,533
February	443	3,964	596	8,771
March	552	5,175	736	10,199
Total	6,084	56,006	8,817	131,454

This table is an exact copy of the freight book of the C. & P. R. R. Co. (was secured for another purpose more than a year ago), and therefore does not represent the shipments by river which may be fairly placed at one-third as much as that by rail. The outgoing freight is almost entirely the product of the potteries. The annual output almost two years ago was placed at $2,500,000 according to the most accurate estimates that could be made. It is in all probability in excess of that amount now. The total aggregate of the wealth of the city was estimated at that time at $11,127,000, and the population about 15,000. This is to-day the center of the industry (while there are six others of various grades in the country), and may be considered as representing in extent slightly more than one-third of the entire industry (about 80 all told) in the United States, Trenton, N. J., representing nearly one-third, and other establishments throughout the country approximately one-third. Taking this as a basis for our estimate, and assuming the value of the output of the other two-thirds is proportionately as great as that of East Liverpool, we find the total value of the annual output of the entire industry in this country to be between seven and a half and eight millions of dollars per annum.

In East Liverpool about 3,500 people are connected with the industry, and following out the same proportion as above, assuming that to be one-third of the entire number engaged in the industry, it makes the whole number 10,500 people. In the light of this showing and other facts that have been presented, it will not be regarded as presumption to say the industry is worthy of both *consideration* and *preservation.*

POTTING INTERESTS IN GERMANY AND THEIR EXTENT.

The Germans had made considerable progress, as compared with most other nations, as far back as the sixteenth century. Within the last half century the industry in Germany has received a fresh impetus. The German clays are regarded as superior, and they have progressed

until to-day "Kannenbäckerland" comprises nine busy villages with populations of 2,000 to 3,500 each.

The great commercial centers of this country being generally either seaboard towns or accessible by water, and ocean freights cheaper than rail, the foreign manufacturer, whether English, French, or German, can ship his goods for distribution to these centers cheaper than can the manufacturer in Ohio, New Jersey, or Indiana.

As a matter of course the bulk of the goods that reach this country from Germany are what is termed low-grade goods; but, in addition to cheap ocean freights and cheap material, the German manufacturer has the advantage of very low wages, probably 50 per cent lower than is paid in England and about 200 per cent lower than is paid in this country.

Under these conditions Germany is becoming a very formidable competitor. In fact she is formidable now, as she can and does undersell our home product. The industry in America would be in a sadly demoralized condition to-day if Germany could manufacture her goods in the quantity England does.

Germany sees this and is striving to increase the quantity of her output.

These I regard as very important facts that should not be lost sight of for a moment in the consideration of a new measure. Their weight is undoubtedly against a reduction.

TREASURY DEPARTMENT,
OFFICE OF THE COMMISSIONER OF CUSTOMS,
Washington, D, C., September 14, 1893.

SIR: In reply to yours of the 13th instant, I submit below a statement showing the value of earthenware imported from Germany during the years 1890, 1891, and 1892:

[Extract from Commerce and Navigation of the United States.]

Imports of China, porcelain, parian and bisque, earthen, stone and crockery ware.

Date.	Page.	Not decorated.	Decorated.	All others.	Total.
June 30, 1890	104	$39,365	$1,075,427	$51,035	$1,165,827
June 30, 1891	106	55,955	1,379,963	40,039	*1,475,057
June 30, 1892	120	63,441	1,597,304	22,216	†1,682,961
Total	.....	157,861	4,052,694	113,290	.....

* Increase over 1890 of $309,230.

† Increase over 1891 of $207,904.

Respectfully, yours,

WM. H. PUGH,
Commissioner of Customs.

HON. GEO. P. IKIRT.

Table showing proportion of German importations to total importations for 1891 and 1892, in value.

	From Germany, 1891.	From Germany, 1892.
Undecorated	$55,055	$63,441
Decorated	1,379,963	1,597,304
All other	40,039	22,216
Total value	1,475,057	1,682,961

Total importations from all sources (official table of imports):

1891	$7,768,559
1892	8,362,292

This shows the German importation to be now one-fifth of the total importation, and increasing at the rate of over $200,000 per annum.

And now we come, as the darkey said, to the core of the melon. Let us see if importation is being checked, our home consumers losing the benefits of competition and the Government losing revenue by decreasing importation. If so, the rate should be lowered. Now striking the difference between the imports of—

Plain white and not decorated in any manner—	
Imports in 1891	$1,951,152.25
Imports in 1892	1,946,711.43
Decreased imports in 1892	4,440.82

And there is the one single item in the classification on which there has been a decreased importation.

What further?

Brown earthen and common stone ware, not ornamented, shows—	
Imports in 1892	$66,695.36
Imports in 1891	50,963.18
Increased imports in 1892	15,732.18

What further?

China, porcelain, parian, bisque, etc., including plaques, statuettes, etc., painted, tinted, gilded, or otherwise decorated, shows—	
Imports in 1892	$6,347,058.75
Imports in 1891	5,752,186.22
Increased imports in 1892	594,872.53

Again I ask, what further?

Total earthen, stone, and chinaware imports, as shown by this report was—	
Total imports in 1892	$8,362,292.54
Total imports in 1891	7,768,559.90
Total increase of imports in 1892	593,732.64

Now, I desire to point out and call special attention to the fact that this increased importation was at a time when there was a decrease of over one hundred and ten millions of dollars of imports of all kinds (or of total imports dutiable), as shown on page 123, and not at a time when there was a general increase of importation. If these conditions enumerated did not obtain, I would not be here before you to-day; but having investigated this subject to some extent, I am fully persuaded of three things—that there is a very marked difference in the production cost in favor of the foreign manufacturer; that importation is not decreasing, but increasing, and competition for benefit of consumer with it; that the revenue to the Government is increasing by reason of the increased importation, not by reason of the present law, but in spite of it.

These tables are official, unbiased testimony, and from them and the other evidence I have submitted I make the following deductions and reach the following conclusions, viz:

First. In view of the fact, clearly shown, that production cost is so much higher in this than in foreign countries, all materials and chemicals used in the process of manufacture (and commonly called raw materials) should be admitted duty free to enable the American product to compete both at home and abroad with the higher grades of products of the ceramic art.

Second. In view of the fact that this industry is both an industry and an art, for I desire to emphasize the fact that it is an art and en-

titled to be so considered. If a reduction of duty be determined upon, in the light of these facts and figures, as well as the merits of the industry as an art, it should most certainly be accompanied by free raw material of all kinds; and such reduction should *not be* in excess of, but *fully equalized by the reduction on materials.*

I further recommend that in the adjustment of rates the administrative act allowing a crate and package duty be not considered as being unjust, as the undervaluation of the product made possible by the weak points in the law more than overcomes or equalizes the crate and package duty.

While disclaiming all desire to appear as dictating to the very able and honorable gentlemen that compose this committee, permit me only to ask that you, while remembering we are all but clay in the hands of the Great Potter, carefully weigh all the facts and consider the subject in the light of the rightful interests of a legitimate art and industry.

Mr. REED. Is this establishment in the district which you represent?

Mr. IKIRT. Yes, sir; East Liverpool is in my district.

Mr. REED. What is about the average rate of tariff taxation which is put upon the foreign article?

Mr. IKIRT. The average rate of the present bill is about 58.50 per cent.

Mr. REED. How much does that increase the price to the consumer?

Mr. IKIRT. That is a question I can not answer.

Mr. REED. It does increase the price to the consumer, does it not?

Mr. IKIRT. I can not answer that question.

Mr. REED. You do not think that the tariff tax is added to the price of the article?

Mr. IKIRT. Yes, sir; undoubtedly it is.

Mr. REED. Of course you know the increased price to the consumer——

Mr. IKIRT. You asked how much in price and I thought you meant in value on articles, and I answered that I did not know.

Mr. REED. It undoubtedly does increase the price to the consumer.

Mr. IKIRT. I believe the consumer pays the duty.

Mr. REED. And therefore we should have, with present duties, to impose a tax upon 65,000,000 of consumers of 58 per cent on this article.

Mr. IKIRT. I have shown that it is no imposition upon the consumer in the American market from the fact that importations are increasing, competition is increasing, and therefore there is no injustice done.

Mr. REED. Why? If the consumer pays the tariff taxes on all that is imported he pays on all that is manufactured, does he not?

Mr. IKIRT. The consumer pays all the duty; yes.

Mr. REED. What excuse do you offer us for imposing upon the people not only the tariff taxes on the imported article, but upon what is manufactured also?

Mr. IKIRT. I simply submitted the facts, and I am willing to say that if you were to crush out this industry there is a possibility that the price at which the foreign ware is sold might be advanced.

Mr. REED. That is one of the reasons which induced you to submit this proposition to the committee?

Mr. IKIRT. Yes, sir.

Mr. REED. You admit the result might be an increased price to the consumer?

Mr IKIRT. It might be.

Mr. REED. That is one of the reasons that you have in mind?
Mr. IKIRT. Yes, sir.
Mr. REED. The great growers of cotton do not have any tariff taxes upon their cotton in this country?
Mr. IKIRT. You, perhaps, have investigated that matter more than I have.
Mr. REED. What is your impression?
Mr. IKIRT. They have not.
Mr. REED. The great growers of wheat do not have any tariff tax imposed that is of any importance to them, do they?
Mr. IKIRT. I do not claim they have.
Mr. REED. The market is made at Liverpool?
Mr. IKIRT. Yes, sir.
Mr. REED. And it is also true that the cotton market is made there?
Mr. IKIRT. Yes, sir.
Mr. REED. The producers of cotton and wheat have none of the benefits imposed by this tariff taxation which you propose in behalf of some of your constituents?
Mr. IKIRT. I think the cotton and the wheat raisers have to take the value in the foreign market less the cost of carriage.
Mr. REED. How do you justify creating among your constituents a special class to the detriment of the cotton and wheat growers? You will have no difficulty in furnishing an argument to convince me. I want you to address your argument to the majority of this committee, for perhaps your argument would be more convincing than mine. You recommend to us to establish this privileged class in your district, and I wish you would present your argument in such a way as to convince the majority of this committee.
Mr. IKIRT. I have tried to present the logic of facts and official reports in the papers I have read; I have made that full and clear.
Mr. REED. You ought to present some argument that will convince them, for they do not seem to be convinced.
Mr. IKIRT. I believe in tariff sufficient to raise revenue to defray the expenses of the Government economically administered.
Mr. REED. Yes; I remember that.
Mr. IKIRT. I stand right on that.
Mr. REED. I want you to stand on the other position.
Mr. IKIRT. Yes, but I am going to tell you of that. I understand that the majority of this committee are not in favor of the destruction or abolishment of any legitimate industry——
Mr. REED. That is, in your district.
Mr. IKIRT. Please let me get through, and you will have your answer.
Mr. REED. I will be glad to help you.
Mr. IKIRT. I will not ask your help. I speak of levying this duty in view of the fact that we have to raise $400,000,000 per annum for the expenses of the Government, and that duty should be so placed, keeping reform in view, as to meet the revenues of the Government with incidental protection.
Mr. REED. What incidental protection?
Mr. IKIRT. To protect any legitimate industry where it can be clearly shown that the cost of production is much greater than the foreign cost. That is what I understand incidental protection, so called, to mean. Therefore, I am in favor of incidental protection, and I can say that this is both an industry and an art.
Mr. REED. You are arguing at the same time that we should keep up a protective duty, and I want you to address your argument to this

committee, because it would be more effective. I approach it from a different standpoint.

Mr. IKIRT. I understand you do, but we approach it from this standpoint.

Mr. REED. That is a little general.

Mr. IKIRT. This industry is entitled to a proper amount of recognition, and it should be given to it. Less than that is injustice to the industry, and would do no injustice to the consumer. I am not in favor, as you are, of levying a protective tariff for the sake of protection; but I am in favor of incidental protection because of the necessity of our raising $400,000,000 to defray the expenses of the Government. Therefore, if you have this amount to raise you must raise it, and you should, in justice and right, irrespective of party, but upon the broad principle of right——

Mr. REED. (Interposing.) For protection.

Mr. IKIRT. Do justice as to the tariff protection. The principle of the Democratic party—since you have referred to politics—is not the principle that proposes to close up all the American workshops and manufacture tramps for the sole benefit of European plutocrats.

Mr. REED. No, no.

Mr. IKIRT. We propose to have equity and justice, and we make the fight on that ground.

Mr. REED. You speak of revenue as being one of the objects. What proportion of these goods are imported into this country as compared with the domestic product?

Mr. IKIRT. I can not answer.

Mr. REED. Answer as near as you can.

Mr. IKIRT. I will not undertake to answer.

Mr. REED. Can you not give something near the amount?

Mr. IKIRT. I have not the data for it.

Mr. REED. Is there not one to five?

Mr. IKIRT. I do not know.

Mr. REED. Is there one to four?

Mr. IKIRT. I presume that one-fourth is made here, but must refer you to the manufacturers as to proportion.

Mr. REED. If you could give the figures it might be striking. Would not a tariff tax upon all articles imported, if imposed upon an equal amount to supply the place of the domestic manufacture, visibly increase the revenues of the Government?

Mr. IKIRT. As a matter of course, if you abolish the business and get an increased importation at the same duty it would increase the revenues of the Government.

Mr. REED. In proportion there would be more and more imported, and more and more revenue?

Mr. IKIRT. There might be; quite likely there would be. The amount required would have to be furnished, and if none were furnished here the increase would be furnished at other hands, and that would increase the revenue.

Mr. REED. You are not urging this on account of revenue, are you?

Mr. IKIRT. I was going to complete my remark. But if this industry were stricken down and no duty imposed, supposing you needed revenue, in that case would you then get revenue for the Government?

Mr. REED. In case of what?

Mr. IKIRT. In any case if importations increase and competition also, it indicates the rate is not too high.

Mr. REED. Not too high for what?

Mr. IKIRT. Justice and revenue. Because if the importation is steadily increasing, therefore revenues are steadily increasing. If it were the other way, it would argue it was too high.

Mr. REED. Too high for protection, so as to render foreign competition——

Mr. IKIRT. Too high to render justice to your Government for the purpose of raising revenue. You would be taking advantage of your consumers and the Government.

Mr. REED. Then you do not admit your former statement that lower tariff taxes would increase the revenue to a reasonable extent?

Mr. IKIRT. That is a mooted question; it might, and depends entirely upon the amount you cut it.

Mr. REED. You say you think that labor is 200 per cent more costly here than the labor abroad?

Mr. IKIRT. I said the wages paid in America were 200 per cent more, approximately, than the wages paid in Germany—not near that much difference in the wages here and in England.

MR. REED. You are making the American producer of cotton and wheat pay double the wages, as shown by the product of this industry which you desire to protect, are you not?

Mr. IKIRT. In what way?

Mr. REED. Those wages go into the product, do they not?

Mr. IKIRT. Yes, sir.

Mr. REED. These gentlemen who raise cotton and wheat pay for that product, do they not?

Mr. IKIRT. Yes, sir.

Mr. REED. They pay its wages?

Mr. IKIRT. I went over that a few moments ago.

Mr. REED. You want them to pay this wages?

Mr. IKIRT. I took the ground that the consumer pays the duty in addition.

Mr. REED. How do you justify this infliction upon the cotton and wheat growers? That is the question I asked.

Mr. IKIRT. I justify it on the broad ground of right, equity, and justice, all conditions considered. If you put it so high as to make a monopoly, it would not be right.

Mr. REED. What you want is such reasonable protection as to enable your constituents to live?

Mr. IKIRT. Anybody's constituents.

Mr. REED. You extend it to anybody's constituents?

Mr. IKIRT. Yes, sir; I said I would not be here, except for the fact that certain conditions I have shown obtain.

Mr. REED. Would you be in favor of any other industry which is protected?

Mr. IKIRT. I say it is perfectly right, if certain conditions exist, to have sufficient tariff protection.

Mr. REED. In order that protection might not fail by incidentally being incidental, you put it here purposely? You would have incidental protection borne in mind by this committee; but you want it to be down because you do not trust it incidentally?

Mr. IKIRT. We do everything from a motive. I have tried to show that, and I believe I am right. All tariffs protect.

Mr. REED. You do not regard anything as incidental that is done for a purpose, such as creating a class.

Mr. IKIRT. It does not create a class, if not too high or, unless high

enough to create a monopoly. It is on that also that I would measure the cost of production.

Mr. REED. You are not the only gentleman of your politics who has come to that conclusion. The gentlemen representing the pearl-button industry have come to the same conclusion.

Mr. IKIRT. I also say that I do not believe your committee will err in this connection.

Mr. REED. The effect is the same upon every Democrat—to specify the incidental protection to prevent the possibility of its being a failure.

Mr. IKIRT. The Republicans desire to get it to the highest point.

Mr. REED. So as to make sure that incidental protection does not fail.

Mr. IKIRT. The Republican theory is that it is for the benefit of one class. Is it not?

Mr. REED. I presume when you come down to theories, we are all the same. The difficulty is that you are asking this without knowing it; that is all.

Mr. IKIRT. I do not agree with your proposition. I do not believe wages are higher because of a protective tariff. There is where you and I differ.

Mr. REED. I will discuss it with you, if you desire.

Mr. IKIRT. I have been at your service for the last several minutes——

Mr. REED (interposing). I think you have.

Mr. IKIRT. And am willing to continue.

STATEMENT OF MR. HENRY BRUNT, OF BALTIMORE, MD., POTTERY MANUFACTURER

SATURDAY, *September 16, 1893.*

Mr. BRUNT. Mr. Chairman and gentlemen of the committee: The real reason for my being here to-day is the fact that I had a somewhat unique experience in the manufacture of pottery which I thought might be of interest as well as some benefit to the industry with which I am connected. I have been engaged in the pottery business for about thirty-five years, most of the time in England. Since I became a man, I have spent ten years of my life in the pottery industry in England under free trade. I have spent twelve years in the pottery industry in America under protection; so that I think I am in a position to speak somewhat of the benefits, or otherwise, under free trade or protection.

I have had an experience as a workingman in England in the pottery industry. I have been engaged as a manager in England, and as such I have had to pay wages and engage men. I have had an experience as a workingman in the pottery industry in America, and I have been a manager, and am now a manager; so that whatever I say in connection with it will be drawn from my own personal knowledge, and not collected from books.

I come here to ask you gentlemen to maintain the present rate of duty on pottery, and I do so for several reasons: One of the reasons—which you have heard many times before—is because if the duty is reduced, the burden will fall on the working man. In connection with this, I want to make a little statement about the difference I have paid for some labor in America and in England. Most of these comparisons are made with English manufacturers, chiefly, I suppose, because reliable statistics are more easily procured in England than in some of the

other foreign countries. We can, consequently, compare the conditions in England and America better than we can the price and condition of things in other countries.

I have not a very long list, although it is on a long piece of paper; but I have taken the average of what I consider to be the regular number of men that it requires to run a pottery. I have started with what we call the engineer in England. I paid $6 a week in England, and $11 in America for an engineer. There are many places which are filled by women in England, and men in America.

Mr. STEVENS. Those were the prices which were prevalent twelve years ago?

Mr. BRUNT. Yes, sir; but there has practically been no change in prices since then.

Mr. STEVENS. Have prices not risen since then?

Mr. BRUNT. Very little in twelve years.

Mr. STEVENS. They have in other trades?

Mr. BRUNT. I can not say. I am speaking of my experience as a potter.

Mr. PAYNE. There has been no reduction in the last three years in England?

Mr. BRUNT. The reason for my coming to America was to avoid a strike which was imminent, where the men had been reduced 8 per cent some years previous, and had gone on a strike. The rate has never gone back. They still have the same reduction of wages. If the tariff is reduced it would affect the working potters, the coal-miners, and others who handle products of all kinds.

Mr. BRYAN. You say you paid $2.90 for coal?

Mr. BRUNT. Yes, sir.

Mr. TARSNEY. Is that slack?

Mr. BRUNT. It was Cumberland coal, which is equal to slack. What we call coal here is usually called slack in England. In England they make three selections of coal. It is about equal to the higher grade of coal used in the ordinary house fires. The part of it which goes through a screen is slack. In England in 10 tons of coal there would be 8 tons of slack. They allow us, when we go to the coalpits, to load up the carts and count it as slack. What is slack in England is coal in America.

Another reason which I wish to assign is because if the tariff is reduced the wages of the working potter will be changed for the worse. I want to call attention to a number of cases where work is done in America by men and in England by women. Of course they have caused a material cheapening of the product; but at the same time it cheapens the product it deteriorates the condition of the employé, man, woman, and child, because the labor of the man is brought in competition with the labor of the woman, and very often is brought in competition with the labor of his own child. If this is so, then the condition of the man having these things to compete with is worse than in a country where he only has to compete with the labor of his fellowmen.

There is no more sober, honest, or industrious workmen in the world than the working potter of America, and I attribute it chiefly to the fact that he is well paid. If you bring a man down in his wages of course you reduce him in his general condition. If you reduce his honesty and morality you reduce his pride. I do not want to enter into a discussion of that point; but you all know that honesty is more a question of appetite than of principle. If you fill a man's stomach and

send him through a market, he is not so likely to steal as if he goes through the market with an empty stomach. If a man makes good wages he will live decently and is more likely to be honest than a man who has poor wages.

Mr. BRYAN. Does that not apply to the manufacturer as well as to the laborer?

Mr. BRUNT. It does.

Mr. BRYAN. How long have you been a manufacturer in this country?

Mr. BRUNT. Three years.

Mr. BRYAN. Before that you were a manager?

Mr. BRUNT. Yes sir; for five years. Before that I was a foreman for three years, and before that I was a workingman on the bench for three years.

Mr. BRYAN. Do you own this factory yourself?

Mr. BRUNT. I own it in conjunction with two others.

Mr. BRYAN. How much of it do you own?

Mr. BRUNT. I own one-fourth.

Mr. BRYAN. What is the capital?

Mr. BRUNT. The capital stock is $80,000.

Mr. BRYAN. Did you bring that with you from England after you had been working there?

Mr. BRUNT. No sir.

Mr. BRYAN. You made it in this country?

Mr. BRUNT. All I own I made in this country.

Mr. BRYAN. How much did you start with three years ago?

Mr. BRUNT. I did not start with anything very much. The conditions of ownership are more or less private. It does not follow that because I have this interest I have made sufficient money to pay for the shares that I own in the corporation.

I want again to quote my personal experience in this matter. Children are put to work early in England. I myself went to work in the pottery when I was only 7 years old. I finished my education, and have never had a day's schooling since. At the present time the conditions of child-labor are better than when I was a child; but the whole trend of the legislation on education, and everything else, is to encourage a child to get along in school so that it can be put to work earlier and be made to earn money to bring into the general family fund; so much so that even to-day children are compelled by law to go to school in England three years. They are sent to school before they are 2 years old, so that they can be hurried up and brought to the factory to earn something for the general family fund.

Mr. BRYAN. Has there been any increase in the wages in the factories in the last three years?

Mr. BRUNT. No, sir; there has been no increase in wages nor in the price of the goods.

Mr. BRYAN. Has there been any decrease?

Mr. BRUNT. There has been no decrease in the wages for years.

Mr. BRYAN. Not in any part of the work?

Mr. BRUNT. Not that I remember. As a matter of fact the men were, up to the late panic, making more money, and the pay roll was higher than it has ever been since the existence of the pottery industry.

Mr. TARSNEY. Has there been any case where women and children have been employed?

Mr. BRUNT. We have employed more women, because we have established a decorative department, which was not established before

I went there. There have been engaged in that department a great number of women.

Mr. BYNUM. You are speaking of your own mill now. There has been some in other mills?

Mr. BRUNT. I do not believe there has.

Mr. BYNUM. Was there not a reduction of 10 per cent in the Trenton mills soon after the McKinley bill went into operation?

Mr. BRUNT. I do not believe there was.

Mr. PAYNE. If there was you never heard of it?

Mr. BRUNT. No, sir.

Mr. BYNUM. I have such information from a gentleman who lives there.

Mr. BRUNT. My reason for saying that I do not believe there was is because we are governed by Trenton prices. If there had been a reduction of 10 per cent anywhere in America of course you may be sure that as business men we would learn it very soon and would conform to it.

Mr. TARSNEY. Regardless of the profit you were making in your business?

Mr. BRUNT. If they had reduced their wages there would have been a cause. The same reasons would have caused us to reduce ours.

Mr. TARSNEY. Regardless of whether you make money?

Mr. BRUNT. No; but the supposition is that if they had reduced their men 10 per cent they were not making money, and consequently had reduced wages. Then we should have reduced ours 10 per cent.

Mr. STEVENS. Have there been improved methods of manufacture in your industry in the last few years by which the product is made cheaper?

Mr. BRUNT. In some cases we have had improved methods of manufacture.

Mr. STEVENS. Have you reduced prices accordingly?

Mr. BRUNT. That is rather a difficult thing to say; and I will tell you why it is difficult. A great many of the goods we have been manufacturing are decorated goods; in fact, one branch in which we are engaged in producing—American porcelains—is all decorated. That is the principal decorated ware. It is selling at prices which are made by the individual manufacturer.

Mr. STEVENS. Have you a combination?

Mr. BRUNT. Not on the decorated ware.

Mr. STEVENS. Have you on the plain goods?

Mr. BRUNT. Not on the plain goods. There is a combination of manufacturers.

Mr. STEVENS. To keep the prices up?

Mr. BRUNT. For the general benefit and general usefulness, just exactly as you gentlemen here are engaged in a combination to make laws for the benefit of the nation. [Laughter.]

Mr. STEVENS. Did you say there was a combination among the manufacturers to keep up the prices, or for general trade purposes? Is there a fine attached if they undersell each other?

Mr. BRUNT. Yes, sir; I believe there is something of that kind.

Mr. BRYAN. Is it the object of this association to create competition and thus reduce prices?

Mr. BRUNT. The object is to create competition. It is not to destroy competition. The object is to protect the trade, for several reasons, exactly the same as trades unions protect their workingmen; it is exactly the same.

Mr. BRYAN. Is your product covered by this combination?

Mr. BRUNT. We produce some goods covered by this combination?

Mr. TARSNEY. If you were to dispose of the product at 5 per cent less than you are disposing of it would you come in conflict with this association and subject yourself to the penalties provided by this association?

Mr. BRUNT. We should.

Another reason which I desire to submit why a reduction of the tariff should not be made, is that this pottery industry should be protected, because all other nations in the world protect the pottery industry. I say that, in view of the fact that England has got free trade, but England has not always had free trade. Englandwas once in the same position we are to-day with reference to the pottery industry. She has developed it. When she was developing it there was not a country in the world which had such strict protection as England had. It was her policy, through her ambassadors, to engage skilled workmen and manufacturers from other nations, and induce them by special protection to come and locate in England and develop that industry. It was in that way that it was developed. To such an extent was that system carried out that at one time the importation of crockery for the purpose of sale in England was absolutely prohibited, and all goods that were imported for the purpose of sale could be confiscated wherever they were found; and any man who had it in his possession could be fined for having it. It was through such a system as this, when England was young in the industry, that she developed it; and when she had developed it and got it to such perfection that it was more highly developed than the same industry in other countries, then, and only then, did she throw open the doors and say to the other nations, "Come in and compete."

Mr. BRYAN. When did she adopt free trade in crockery?"

Mr. BRUNT. I think in 1833.

Mr. BRYAN. Has the industry developed there since that time?"

Mr. BRUNT. Somewhat; but no more than the natural increase in population.

Mr. BRYAN. Have wages risen in the crockery industry since 1833?

Mr. BRUNT. Wages have risen in the pottery industry since then some little; and the reason is, as I am trying to illustrate, that at that time she had thoroughly developed it, and she could afford to say to herself, "Now our industry is developed, and we can afford to go out and sell goods broadcast throughout the world."

Mr. BRYAN. What, in your judgment, would be the time that would enable us, like England, to do that and increase wages of labor?

Mr. BRUNT. The time would be when this country can produce all the crockery that this country can consume.

Mr. BRYAN. When will that be?

Mr. BRUNT. That is going into the prophecy business.

Mr. BRYAN. You have no idea when we could do that?

Mr. BRUNT. It would not be in my lifetime.

Mr. BRYAN. You would not want it to be in your lifetime?

Mr. BRUNT. It took England three hundred years to develop her industry. The growth of nations is counted, as a better man than I has said, by centuries, not by years.

Mr. BRYAN. You say that England went abroad to bring skilled laborers to that county?

Mr. BRUNT. Yes, she did.

Mr. BRYAN. Are our manufacturers bringing in skilled laborers?

Mr. BRUNT. To some extent.

Mr. BRYAN. What proportion of foreigners have you in your employ?

Mr. BRUNT. About 10 per cent. The remainder are, I think, American born—certainly the men and boys and women who have learned the industry in this country are.

Mr. BRYAN. Have you brought in any yourself?

Mr. BRUNT. I have not. My idea has been, since I have been in the industry, to try to develop American talent.

MR. BRYAN. What is the total value of the product of your firm annually?

Mr. BRUNT. The total output is anywhere from $125,000 to $160,000.

Mr. BRYAN. What amount of money do you pay yearly in wages?

Mr. BRUNT. The pay roll right in our works approximates $75,000, or a little more than that, as near as I can come to it.

Mr. BRYAN. That includes all labor on the works and the salaries of the officers?

Mr. BRUNT. No. It leaves three out. I have mentioned about England and the way she has developed the pottery industry. Even to this day she nurses and protects it, and tries to develop it to a great extent in this way: By establishing schools of art and science in the centers of the pottery industry, which are supported by the Government, and where young men and young women can attend the special part of the business that they are going to be engaged in. That is one of the drawbacks at the present time to the advancement of the pottery industry in America. You know that France and Germany and some other counties have royal potteries which are supported by the Government, which are experimental. The benefits of those experiments are to go to the general industry. In England at this time, while of course there is no Government grant, yet there are potteries there under the particular protection and particular patronage of royalty and also of the nobility. I saw instances of that in the World's Fair, where I saw on one of the booths, painted in English in prominent characters, "Potters by special appointment to Her Majesty Queen Victoria."

Mr. TARSNEY. You can see that sign over every peanut stand in England.

Mr. REED. I think that is a local exaggeration.

Mr. BRUNT. I never saw a peanut stand in England, and I am not able to say what there would be over it.

Mr. REED (to Mr. Tarsney). That is certainly a local coloring you give to it. Your idea is right.

Mr. BRUNT. The contest we have to make in this country in fighting this royal patronage has materially affected the trade. There has been, since I have been here in the small town of Trenton, alone, twelve large firms that have gone into liquidation, which is an average of one every year. Most of these firms have been the firms that have especially distinguished themselves in trying to develop that high grade of goods, and have been fighting to compete with the royal potters of foreign nations. They have simply gone under. I think that if the legislators of this country would devote a little money to developing the arts and industries of the country, instead of spending so much to invent machines to manufacture widows and orphans, the arts and industries in America would be in a great deal better position than they are to-day.

Another reason I will suggest is, that if you reduce the tariff on pottery, it will be a setback for a number of years. When I say that it will be a setback, that premises that there has been some advance-

ment. I think it only right, gentlemen, that you, who have charge of the purse strings of the nation, should know whether pottery has advanced under your system of protection.

I have brought here samples of what I consider to be fair samples of every kind of pottery that is produced in America. I will explain to you why I brought them (exhibiting samples). There are certain grades of goods that America can now produce as good, if not better, than any other country in the world. These grades of goods of which I speak are preferred by the trade to the foreign goods, everything else being equal. That shows some step forward. There has been at least one class of pottery created in America, and that is the class made by Ruppert in Cincinnati. I do not know whether that could have been created under a system of free trade; but I do know that it has been created under a system of protection. You have in Cincinnati the finest grade of goods in the world, and it is entirely new. There has never been anything like it seen in the world before. It was produced in America, and you can speak with great pride and say, "This is purely American."

Here Mr. Brunt produced and explained several samples of goods as follows:

Here is what we call Rockingham ware; it is a red earthen ware. It is a little common, but very useful.

This next sample is stoneware, or yellow ware.

This next is china ware.

This one is called C. C. ware, which is chiefly used by workingmen in America. Those grades I have selected because they are as good, if not better, than the same grade of goods made anywhere else in the world, everything else being equal, and are preferred by dealers.

Mr. BRYAN. Are they produced at as low a price here as elsewhere?

Mr. BRUNT. The selling price, do you mean? Or do you mean that they cost as much to make?

Mr. BRYAN. Are they produced at as low a cost in this country as abroad?

Mr. BRUNT. No.

Mr. BRYAN. Are they sold at as low a price?

Mr. BRUNT. No, sir; they are neither produced nor sold as low.

Mr. BRYAN. Are they as good in quality?

Mr. BRUNT. They are as good, or better, in quality. Here is another piece which is called "hotel china." I am a little inclined to think that that is an American production. Certainly, no other country can produce as well as America can.

Mr. Brunt produced samples of American porcelains, white granite, glass, and printed ware.

Mr. BRUNT. As you will meet with this class in your tariff laws it would be just as well for me to mention and explain them. These are being produced now in America, and I think they are as good as are produced anywhere, but they cost more. The object of producing American porcelain is this: In America there is a large class, the better class of working people, who can afford to purchase a little better grade of goods than the ordinary C. C. brand, but who are not sufficiently wealthy to purchase the French china, which is expensive. America has tried to produce something as good as the French china, and yet which might be sold at half the cost. This is the article, American porcelain. This [indicating] is French china. It is called French china when we wish to distinguish it from any other china. It is made in America, and is made to compete with French china. The whole ap-

pearance of the article warrants us in saying so. The mode of making certain kinds of French china is a secret.

Mr. TURNER. What brand is that?

Mr. BRUNT. That is the Onondaga Pottery Company's, of New York State. Up to the present time it is the finest imitation of French china that has ever been produced.

Mr. BRYAN. What articles are covered by the tariff?

Mr. BRUNT. Simply this, the C. C.

Mr. BRYAN. What proportion does the C. C. china bear to those; what is the most ordinary kind, the kind of which most is sold?

Mr. BRUNT. I think the most of this white granite is sold.

Mr. BRYAN. You do not know what the annual product is of the C. C.?

Mr. BRUNT. No.

Mr. TURNER. Is that brown teapot included within the combination of which you have spoken?

Mr. BRUNT. Yes, sir; I believe there is a combination on the manufacture of this brown teapot. They have an association of manufacturers.

Mr. BRYAN. How many combinations do you belong to?

Mr. BRUNT. One.

Mr. TURNER. How is it as to the W. G. and decorated?

Mr. BRUNT. Every manufacturer makes his own price on them.

Mr. TURNER. Are all these goods made on the ancient potter's wheel?

Mr. BRUNT. Some of them are.

Mr. TURNER. Have you improved the process of machinery so as to substitute it for the old potters' wheel?

Mr. BRUNT. We have improved the old potter's wheel. The principle is practically the same, but we have improved it by adding power to it. Instead of a man kicking it around, it is turned by machinery. The mode is practically the same.

Mr. TURNER. Is it the same as the Egyptians use?

Mr. BRUNT. Yes, sir; with some modifications. It is the same principle. This [exhibiting] is another class of china goods, which is called English china. These are made in America. This is the term used to denote the goods, not meaning to convey the impression that they are made in England. These are as fine as anything made in England. They are made by factories in the West, and if the present rate of duty is maintained, so that the industry can be developed, there is no reason in the world why English and French china shall not be made as good in America as in those countries.

Mr. BRYAN. Where are those factories located?

Mr. BRUNT. At East Liverpool, Ohio. I am reminded that I am occupying a little too much time, and probably I am. I have one other reason why the tariff should not be lowered: we are making this grade of goods against geographical protection. I want to say that if we are driven out of the market on this better class of goods we will have to go back to this commoner, heavier class on account of the geographical protection.

Mr. BRYAN. You refer to transportation?

Mr. BRUNT. Yes; that is what I understand by geographical protection.

Mr. BRYAN. These goods were being manufactured before 1890?

Mr. BRUNT. I do not think these were manufactured before 1890.

Mr. BRYAN. The industry was successful before that time?

Mr. BRUNT. You can never say that the pottery industry has been very successful in this country, because there has been a large propor-

tion of failures, owing to the expense of developing it, which is out of proportion to that in other industries.

Mr. BRYAN. Has there not been more money made in it than in other kinds of manufacture?

Mr. BRUNT. You are very wrongly informed in connection with that. I have told you that in a town of 50,000 inhabitants, out of twenty-seven to thirty potteries in twelve years twelve large concerns (not the small ones, in which failures have been numerous) have failed.

Mr. BRYAN. What were your profits last year?

Mr. BRUNT. I do not think that is a fair question.

Mr. BRYAN. Do you not believe that the people ought to know that, if you are insisting that you can not live without the aid of the law?

Mr. BRUNT. I think it is fair that the people should know what is the general profit of the pottery business.

Mr. BRYAN. Are they not entitled to know how much you are making?

Mr. BRUNT. I do not think they are entitled to know what is the profit of an individual firm.

Mr. BRYAN. You do not care to give it?

Mr. BRUNT. I would not want to say what are the profits of my concern, because if I said we were making nothing it would destroy our credit; and if I said we were making 30 per cent people would think it was very profitable. I do not want to state it as an individual. If a manufacturer is making 8 per cent on his capital he considers he is doing a fair business.

Mr. BRYAN. You have $80,000 invested?

Mr. BRUNT. We have $80,000 invested. I will submit this table, and then that will close my remarks, except as to the questions you may wish to ask me. This table I have copied from our books. It shows that the special articles manufactured by the potters have been reduced gradually year by year, and that, therefore, there is no necessity for any reduction of the tariff, because the only necessity that any one can suggest for a reduction of the tariff is to cheapen the article, and the cost of the article has been reduced.

Mr. BRYAN. I do not understand your statement. Did you say that prices have gone down?

Mr. BRUNT. Yes, sir.

Mr. BRYAN. Did you state that there had been no change in the prices for the last three years?

Mr. BRUNT. Yes; I think there has been no change in prices during the last three years, with the exception of two articles, where the size has been increased and the prices also, owing to the larger size. We made larger sizes, and increased the price. There has, consequently, been over five years when the price has been going down.

Mr. BRYAN. Do you mean to say that the reduction in the price of goods has been caused by the tariff?

Mr. BRUNT. No, sir; I do not mean to say that the reduction in the price has been caused by the tariff, but has been caused by home competition.

Mr. BRYAN. By such associations as you belong to?

Mr. BRUNT. By such associations.

Mr. BRYAN. Suppose one firm fixes the price and they find others selling below that price?

Mr. BRUNT. If I were to tell you something in that connection you would not think it were true. If I were to tell you that the association prevents prices going up–

Mr. BRYAN. Do you fix a cast-iron rule, so that you can not lower or raise the price?

Mr. BRUNT. We fix a cast-iron rule so that we can not raise it without the permission of the association. The average reduction in the United States from 1870 to 1893 on twenty-four articles has been 40½ per cent.

Mr. BRYAN. And yet you can say that competition has done all that?

Mr. BRUNT. Competion has done all that.

Mr. BRYAN. Can competition reduce prices, except where prices are exorbitant?

Mr. BRUNT. Sometimes it can, unfortunately. I was going on to say that during the time these goods were reduced 40½ per cent I took the wage book and found that the reduction in labor has been only 18 per cent.

Mr. BRYAN. In labor cost or in wages?

Mr. BRUNT. In labor cost.

Mr. BRYAN. There has been a like reduction in materials?

Mr. BRUNT. I simply took labor.

Selling price on below-named C. C. ware.

	1870.	1875.	1880.	1885.	1890.	1893.	Per cent less between years 1870 and 1893.
Bakers' 6-inch.....per dozen..	$0.90	$0.84	$0.66	$0.60	$0.54	$0.54	40
Bakers' 7-inch.....do....	1.10	.98	.77	.70	.63	.63	42 11/11
Bakers' 8-inch.....do....	1.40	1.19	.94	.85	.77	.77	45
Bowls, 6s.....do....	4.00	3.57	2.81	2.55	2.30	2.30	42½
Bowls, 9s.....do....	3.00	2.70	2.12	1.93	1.74	1.74	42
Bowls, 12s.....do....	2.00	1.82	1.43	1.30	1.17	1.17	41½
Chambers, 6s.....do....	3.70	3.50	2.75	2.50	2.25	2.25	39 1/37
Chambers, 9s.....do....	2.90	2.80	2.20	2.00	1.80	1.80	37 17/29
Dishes, 8-inch.....do....	1.40	1.19	.94	.85	.77	.77	45
Dishes, 9-inch.....do....	1.65	1.47	1.16	1.05	.95	.95	42 4/11
Dishes, 10-inch.....do....	2.00	1.75	1.38	1.25	1.13	1.13	43½
Dishes, 12-inch.....do....	3.50	2.80	2.20	2.00	1.80	1.80	48½
Ewers and basins, 9s.....do....	9.25	7.88	6.19	5.63	5.06	5.63	39 5/37
Jugs, 12s.....do....	3.30	2.98	2.34	2.13	1.92	1.92	41 7/23
Jugs, 24s.....do....	2.00	1.75	1.38	1.25	1.13	1.13	43½
Mugs, 30s.....do....	.85	.77	.60	.55	.50	.50	41 7/17
Pln. nappies, 6-inch.....do....	.90	.88	.69	.63	.57	.57	36½
Pln. nappies, 7-inch.....do....	1.15	1.12	.88	.80	.72	.72	37 9/23
Pln. nappies, 8-inch.....do....	1.40	1.33	1.05	.95	.86	.86	38½
Plates, 6-inch.....do....	.55	.53	.44	.40	.36	.36	34 7/11
Plates, 7-inch.....do....	.65	.63	.55	.50	.45	.45	30 13/23
Sugars, 30s.....do....	3.00	2.63	2.06	1.88	1.69	1.69	43½
Hd. teas st. D.....per gross..	5.60	5.25	4.13	3.75	3.38	3.38	39 9/13
Unhd. teas st. D.....do....	4.25	4.20	3.30	3.00	2.70	2.70	36 7/17

Average, less cost, between years 1870 and 1893, on above twenty-four articles, about 40½ per cent.

Table showing the difference paid for the same labor in England and in America.

	England.	America.	Per cent of difference.
Engineer or engine driver.....per week..	$6.00	$11.00	83⅓
Laborers.....do....	3.60	7.50	108⅓
Watchman.....do....	5.04	9.00	78⅝
Clay mixers.....do....	4.84	10.00	106⅔
Plate-makers for 12 plates, 7-inch	.02¾	.08	190⅑
Saucer-makers for 12 saucers, made by women in England and men in America.....	.01⅞	.03⅛	171⅞
Cups, per dozen of 12 complete, including making, turning, and handling, made by women and girls in England and men in America...	.03⅛	.10⅓	176 4/15
Hollowware pressers, per dozen of 12 cover dishes, 8-inch.....	.72	1.11	54⅛
Giggermen, covered chambers, complete .....per dozen..	.36	.65	80⅝
Kiln hands.....per day..	1.12	2.00	78⅝
Dipper hands.....do....	1.60	2.50	56¼
Boys in dipping room will start at.....do....	.06	.33⅓	455⅝
An average boy will make when learned.....	.16	.66⅔	316⅔
Women in biscuit wareroom	.26	.75	188 9/13
Women in glost wareroom	.26	.75	188 9/13
Boys in glost wareroom start at.....	.06	.33⅓	455⅝
Glost warehousemen.....per day..	1.00	2.00	100
Printers, average price paid.....do....	1.08	2.50	131 11/27
Fillers in or decorators, girls .....do....	.04	.15	275
Fillers in or decorators, women.....do....	.25	1.16	364
Gilders or gold workers, women .....do....	.80	1.66⅔	108⅓
Teamsters .....do....	.86	1.50	74 4/43
Foremen.....do....	1.20	2.50	108⅓
Managers.....do....	1.60	5.00	212½
Average increase of American labor over English.....	.....	.....	185

Price of principal materials entering into the cost of manufacturing earthenware in England and America.

	England.	America.	Per cent of difference.
Ground flint.....per ton..	$7.00	$8.50	21⅜
Cornwall stone in England and feldspar in America.....do....	6.72	10.40	54 16/21
Ball clay.....do....	2.40	9.05	277 1/12
China clay.....do....	6.52	15.00	130 19/163
Coal .....do....	1.30	2.90	123 1/13
Saggar clay	.84	3.05	263 1/21
Average increase of American materials over English.....	.....	.....	145

Failures in Trenton in twelve years.

City Pottery.
American Crockery Co. (Fiske).
Clarke Bros.
Eagle Pottery.
Ott & Brewer.
Union Pottery (Cooks).
Pope & Lee.
Trenton Pottery Co.
Dowd Bros.
Trenton China Co.
Willets Manufacturing Co.
Fell & Throp.

STATEMENT OF JEROME JONES, OF BOSTON, MASS.

SEPTEMBER 16, 1893.

Mr. CHAIRMAN: I come to represent the National Association of Wholesale Dealers in Crockery and Glassware. Our association is comprised of members of firms in all the large cities of the United States. They are associated, not to combine on prices nor to fix prices, but to study the interests of the trade and in a way to be better acquainted and come to what we call a better understanding as to the methods of doing business and the better understanding of the earnings of our help.

Mr. BRYAN. The association does not have anything to do with prices?

Mr. JONES. Nothing whatever. There is an understanding that no association shall give away the covering of the packages. It provides that there shall be a uniform price attending the sale of all packages. There was a disposition on the part of some of the members to fix prices on some of the goods, but others would not agree to it. There were too many differences of opinion and no agreement could be arrived at. We stand between the consumer and the various manufacturers. For instance, we import largely from England, France, Germany, Austria, Japan, and we also sell largely in the markets where we buy. In other words, we are interested in high prices as we supply the wants of the American people. We own no interest in any pottery, but we are assumed to be intelligent buyers, and, therefore, we as importers, are aware of the prices of merchandise and we stand as a barrier between the importer and the merchant as to prices of goods that people want. There is no doubt but what the claim of the potters can be justified in saying that crockery has been reduced in price in the last twenty years. Presumably this has been during the period covering these high tariff taxes, but there are other facts that are responsible for the reduction in cost of pottery. The rates of tariff have not always been the controlling factor, as I can prove to you in two minutes. There have been two or three inventions that have been of enormous importance in reducing prices within the last twenty-five years. One of those improvements was in the old-fashioned bin where the coal was put in directly into the flue fire and much of it was wasted. They now have a patent which nearly doubles the saving in fuel, or rather furnishes nearly double the heating capacity of the old kiln. Another influence has come in the shape of the displacement of hand power. This has been adopted in other countries as well as in America. Another important factor, within a few years, has been the introduction of the lithographic transfer process. They now take a plate and spray leaves or foliage upon it, and instead of having to spray it carefully by hand they simply wipe a piece of tissue paper on the lithographic transfer process and wipe that on the plate, and it is done almost as rapidly as I have told you.

I am willing to give the domestic potters the benefit of the claim that they have helped to introduce wares to create competition between the home and foreign manufacturers. But you must not lose sight of the fact that there is competition between the English, French, and Chinese potters, which brings the price of the products down. The cause of bringing the price down have been these new methods of firing the ware. That and decoration have gone together. They have both had their effects in reducing the cost.

We find, as dealers and importers, that the present tariff law is very troublesome in its ambiguity, and I want to show you a practical test. Yesterday morning I left Boston, and I selected a teapot similar to the one which has been shown here. It is a yellow mug. There was a little stripe around it. I asked the appraiser to send me word what would be the rate of duty on it. I sent a messenger to him for the information, as I wanted to get away and wanted a quick answer. He sent word back that it would be 60 per cent duty because there was a stripe on it. The McKinley bill says, that any ware printed, etc., shall be dutiable at the rate of 60 per cent. That is dutiable at 60 per cent, and it is one of the commonest and cheapest things in the kitchen. That plain yellow mug should be 25 per cent. If I were to enter it in an invoice, I should be charged 60 per cent on account of the ornamentation. That will show you that there is great ambiguity in the

law, for the appraiser gave me this answer after he had had two years' experience in the office. You can not blame him because he does not know.

Mr. BYNUM. If you had to import that they would charge you 60 per cent, and you would add that to the price?

Mr. JONES. Yes, sir.

Mr. BYNUM. If you got a return of that difference in duty you would take both?

Mr. JONES. Yes, sir; the consumer would bare the burden, and we would walk off with the difference.

Mr. BRYAN. Is not that one of the evils of the present law that this common ware is sometimes decorated to cover up a defect and increases in price?

Mr. JONES. That is one of the troubles. Another point is that we ask that the duty on packages, which was raised from 40 per cent to 55 per cent, be left unchanged. In 1883 the tariff commission bill made the duty on packages free, and raised the duty on the contents from 40 to 50 per cent to compensate for that. The McKinley bill reimposed the duty on packages which added to the taxes on all pottery that came in—increased the duty virtually. We ask you either to abolish the duty or take off the outside package duty, and so define the law that there shall be no ambiguity about that. There should be no duty on crates and sacks and packages of that kind. That crate and package duty clause has brought a thousand or more cases into the Supreme Court, because it was drawn so bunglingly.

Mr. PAYNE. They brought in more valuable packages than were usually used for such goods?

Mr. JONES. Yes, sir; they took advantage of the law. They would take a thimble worth a penny in England, put it in a morocco case, satin lined, and that would come in duty free, and it might have cost more than $10.

Mr. BRYAN. It was not the ordinary case for that purpose?

Mr. JONES. No, sir; it was never so intended. It was unfortunate that that was done under the law of 1883, because it caused its abolition. I think the outside packages on cases and crates should not be so onerous. I think I can prove that by stating that while to-day on English earthenware the rate is 55 per cent the administrative act brought the duty up to 66 per cent. That is the duty paid on common washbowls and chamber sets and on cups and saucers. If you are going to retain the duty on packages, it is only fair to have a compensatory rate based on such reduction as may be made.

Then another point upon which I wish to speak—that is as to the reëstablishment of the damage allowance. To-day, if a ship comes in water-logged and there is damage to the amount of one-half the cargo, the importer is compelled to pay the full duty on property that does not exist. I submit that this is an outrage upon the citizen of the United States who happens to be an importer.

Mr. TURNER. What percentage would cover that?

Mr. JONES. I do not suppose it would amount to 2 per cent on a cargo of crockery ware.

Mr. PAYNE. How much would it amount to on an average?

Mr. JONES. There is a great deal of difference between the tariff at Boston and New York in that respect.

Mr. PAYNE. There was a great difference between the importers as to the amount of damages claimed.

Mr. JONES. Yes, sir; I will undertake to say that in Boston it does

not amount to more than 2 per cent and I will undertake to say that in New York it is abused, because it is a larger city, and the administration of the custom laws has been much more corrupt.

Mr. PAYNE. On the larger part of the importations this clause was abused, and while it should not be over 2 per cent it amounted to a larger proportion and was a fraud upon the Government?

Mr. JONES. Yes, sir.

The CHAIRMAN. Do the importers insure against such damages?

Mr. JONES. I do not think they do.

Mr. TURNER. The underwriter would want these back?

Mr. JONES. It is a question of assuring a total loss and the particular average. For years we have insured for total losses because the trouble in certifying was such that we would rather loose the whole, and for that reason we let it stand. I had a talk with the collector of the port of Boston about this very question of damage allowance, and asked him to take his pencil and indicate how the law ought to be changed. He said "The law is all right. The fault is with the New York custom-house. The Government ought to be able to put a man there who will certify as to damage allowances. The Government ought not to put a man there who has not to be bought. I do not like to intimate that the United States is not capable of putting up the proper estimate on damage allowances, in cases where the ship comes in filled with water. I think that it is right that the importer should be indemnified in case of a loss on the sea."

I want to suggest that I have talked with some potters in reference to the question of a reduction on the tariff. If you could put their raw material on the free list, that of itself would be a recognition. There is a question also of clays. There is hardly a State in the Union which has not more or less clays that are presumably sometime to be used somewhat in the potteries. Some States have better clays than others. There are a great many clays mined in this country which are used for paper and it is also put into soap. The clay miners tell me that a large part of their business was from soap manufacturers. If you take a cake of soap with a great deal of clay in it and wash your hands in a bowl of water the water will be quite turbid.

Mr. TURNER. There is a duty on soap?

Mr. JONES. There ought not to be. It ought to be free. As to the merchandise which comes into contact with the custom-house, I want to say a word as to the general appraisers law. This has been brought about by reason of the McKinley bill. I think that the old merchant appraisers system was wrong. It let one merchant into the secrets of another, and I have no doubt that the Government was wronged many times by the system they had of favoring one another. Under the present system in New York you can get what the Constitution requires—equal duties in all places. You have one bureau, and one duty covers them all. Under the old system they had one duty in San Francisco, one in Boston, and another in New York. I feel it is due to the Board of Appraisers in New York to say that they satisfied the merchants, and the merchants have no doubt that the Board of Appraisers have brought about a thorough and more advantageous system than existed under the old one, which was, in case a local appraiser and the merchant disagreed about an invoice it was the duty of the collector to appoint a merchant in that line, and that merchant was to sit with the general appraiser in that place, and they settled the matter. If they disagreed then the collector stepped in. Therefore, I believe that the present Board is the one that can best administer the duties on

that part of the law more uniformly and more thoroughly than under the old system.

I want to call attention to another fact, and that is in the progress of the development of the crockery ware business. The present duty on Rockingham ware and yellow ware is such that while twenty-five years ago there was a part of it imported the duty to-day is prohibitory. Rockingham yellow ware has not been imported for several years. I do not believe that there has been a crate of it imported. The tariff is a barrier and it has absolutely excluded the foreign Rockingham ware from this country.

Mr. TARSNEY. The cheaper grades?

Mr. JONES. Yes. That used in all of our kitchens. I simply assure you that that is a fact.

Mr. BRYAN. What would be the cost of that if it were brought in without a tariff?

Mr. JONES. The present combination between manufacturers would have to disappear. To-day manufacturers have a combination under which they are under severe penalties if they undersell, and if the duty should come down 20 per cent that would make no difference, because the home pottery would not be lower.

Mr. TARSNEY. That would dissolve this close corporation?

Mr. JONES. It would at least make them take a rail off the fence.

Mr. BRYAN. Can you tell what proportion is controlled by this trust?

Mr. Jones. I should say on the produce of this country it would be 30 per cent in bulk and perhaps one-half of that amount in value.

Mr. BRYAN. That is a lower grade of goods?

Mr. JONES. Yes, sir; a sample of that was shown here.

Mr. TARSNEY. Can you give any reason why that trust does not extend to the other grades? Are there any trade reasons?

Mr. JONES. The difficulty I suppose is in defining decorated ware.

Mr. TARSNEY. Is it not due to the fact that the rates of duty on the higher grades are not prohibitory as they are on these grades?

Mr. JONES. Undoubtedly.

Mr. TARSNEY. Notwithstanding competition from abroad is such as to destroy this combination?

Mr. JONES. Yes, sir.

Mr. PAYNE. Since this association was formed have prices increased on any line of crockery made by the association?

Mr. JONES. I don't think they have.

Mr. PAYNE. Do you not know they have not?

Mr. JONES. No, sir.

Mr. PAYNE. Are you a member of an association of crockery dealers?

Mr. JONES. I am.

Mr. PAYNE. How long have you been a member of that association?

Mr. JONES. Several years.

Mr. PAYNE. You say that it is formed for social and business purposes. Have prices anything to do with it?

Mr. JONES. I am absolutely free.

Mr. PAYNE. Has the association anything to do with the price of crockery.

Mr. JONES. I can not say that it has.

Mr. PAYNE. You are a member of it?

Mr. JONES. I did say that it had no effect on the prices except as to the package clause. On that it would be $2 for a crate. It is intended to increase the price on that.

Mr. PAYNE. It compels them to charge for packages a certain rate?

Mr. JONES. Yes, sir.
Mr. PAYNE. Prior to that you had been giving away packages?
Mr. JONES. Not if I knew it.
Mr. PAYNE. Some of the parties had been doing that?
Mr. JONES. Some of my competitors had. That was one of the troubles and that was one of the things that caused a change of the law.
Mr. PAYNE. You say that the association has not increased prices?
Mr. JONES. No, sir.
Mr. PAYNE. Has the association any rule in reference to discounts?
Mr. JONES. We have this rule: For instance, if a buyer should buy on sixty days and should not be able to pay we have an understanding that he is not to be charged more than 1 per cent.
Mr. PAYNE. There is an understanding that you would not be willing to make more than 1 per cent.
Mr. JONES. Yes, sir; in the case I have mentioned.
Mr. PAYNE. Is there any agreement as to freights?
Mr. JONES. No, none whatever.
Mr. PAYNE. How long have you been in the business of importing goods?
Mr. JONES. About forty years, the first of June.
Mr. PAYNE. Did you go into the business with a large amount of capital?
Mr. JONES. I started with one second-hand suit of clothes.
Mr. PAYNE. How much have you invested now?
Mr. JONES. I do not know, but I have got a small reasonable competency.
Mr. PAYNE. That might be one thing to you and another thing to me. What is the capital that you have invested?
Mr. JONES. That I never tell anybody, except my wife, and I have not told it to her.
Mr. PAYNE. What profits per year have you made for the last three years in your business?
Mr. JONES. That I never tell to anybody but my wife.
Mr. BRYAN. That is another family secret?
Mr. JONES. Yes, sir.
Mr. PAYNE. It has been suggested that as you want the duties reduced on those commodities it would increase your business. You do not know but that some of the other members of the committee would want to know what your profits were as an importer in order to be able to frame a tariff bill. I mention this for fear Mr. Bryan might forget to ask the question.
Mr. JONES. That is all right.
Mr. REED. I suppose you think that to lower the rate of duty would cause an increased consumption and an increased revenue?
Mr. JONES. I suppose we would be quite selfish in that, but I think it is fair to say that if the duties were to be lowered our homes would be better supplied with satisfactory styles of ware and the consumer would own that ware at the lowest cost.
Mr. TARSNEY. Is not that class of goods manufactured in this country?
Mr. JONES. Yes, sir; that is a character of ware that is unique. This is blue canton china, and it is hard and coarse but fashionable among high grade families. That comes from China exclusively. The wonder is everybody wants it. There is a certain amount imported yearly.
I omitted to say that we thought in the arrangement of schedules one

rate of duty on both China and earthenware would simplify, and in the advalorem principle, the value would carry the tax; for example: a dozen white plates costing 2 shillings, 50 cents, 40 per cent tax is 20 cents; a dozen richly decorated China plates costing £2, $10, 40 per cent tax is $4; so that the goods for the million and those for the millionaire would each bear its fair burden of tariff tax; we think also that 40 per cent be the rate in lieu of 55 and 60, and no duty on outside packages, crates, casks, and cases.

STATEMENT OF FRED. A. WALKER, POTTER, TRENTON, N. J.

SEPTEMBER 16, 1893.

Mr. CHAIRMAN: I have come here to state to the committee that I am one of a committee of pottery workers from Trenton, whom I represent. We represent the industry in other communities. So much time has been consumed that we will only speak of the trade as it relates to Trenton. We are interested as operatives. I want to present to you a set of resolutions adopted at a convention of pottery workers held at Trenton in 1878, which I have been instructed to do. We are here as a committee appointed at a mass meeting held in Trenton to petition the Ways and Means Committee and Congress in the preparation of a new duty on crockery and ask that they will consider it from the operatives' standpoint. We believe we have good reasons to ask this on account of the different wages paid us as operatives and that paid to operatives in England, France, and Germany.

When I was eighteen years old I was engaged as a potter in England. My brother had immigrated to this country and was also a potter engaged in East Liverpool, Ohio. He found at that time such a condition in wages here that he thought it was very much better to send for me. I came here and located in the city of Trenton. I have been employed in that city for the last twelve years. We produce a line of goods of porcelain, unequaled in this country, and more generally used than any other. We ask that the present duty be maintained, chiefly from the fact that if a reduction should take place it would affect the wages of the operatives in this country. We have never received as much wages at any time as we are at present. That seems to be a peculiar statement in view of the reduction made in all wages, but it is due to the fact that the qualities of the goods produced in this country has been improved. Manufacturers have been able to pay better wages on these better lines of goods which have been manufactured because they have been able to get better prices for those goods. I would state that the men in Trenton, with one or two exceptions, are earning as much money as we have been able to earn at any time since the establishment of the protective tariff system.

The question was asked why wages were reduced when there had been no reduction of the duties under the McKinley act.

There has been no general reduction in wages. There has been one reduction of wages in a special line of product, called the "sanitary line." The reason for that was that ten years ago there was only one pottery in the United States which manufactured sanitary ware. Within the past ten years, however, there have been several potters who, by reason of the profits being so large, began the manufacture of that ware, and the consequence was the production has been great and

the prices close. The prices have been reduced about 33 per cent. The workingmen are called upon to stand part of this reduction given the consumer. As operatives we would ask you not to reduce the tariff on crockery. We do not come here at the request of the manufacturers, although they are interested in it. They were not interested to bring us here and did not pay our expenses. We came as representatives of the National Union of the United States. We embrace local unions in seventeen States of the Union. They have representatives here from East Liverpool, Ohio, and we do not wish to speak for them. We intended to state in what States our local unions are located, but I mislaid the paper at the hotel and I have not that matter here. I will state, however, that we have seven in Trenton, some in Pennsylvania, Ohio, New York, Virginia, West Virginia, and several in other States.

We believe as workingmen, that seeing as we receive over 60 per cent difference in wages between the man paid in England, France, and Germany in several branches of our industry, that we ought to be satisfied as wage-earners. We ask you to consider this. In a number of States manufacturers have been trying to improve their lines of product. We are producing a better grade of goods than has ever been produced before. I wish to corroborate what the manufacturers have said about the matter. We have now two potteries in the city of Trenton in the hands of a receiver—namely, the Eagle and the Brewer—both old concerns. They branched out to make the higher grade articles and they are now both defunct. That shows that this pottery industry is not what it is supposed to be. There is not the money to-day in the business that there was several years ago, because competition has forced prices down in this business. Agents have been sent out to drum up trade and have come into competition with importers and with one another, and as a result the market in crockery is worse than it has been in ten years. I have some figures which I took from the books of the Mercer Pottery Company. We do not come here from a manufacturers' standpoint, but from an operative's standpoint, believing that if this tariff is reduced we, as workingmen—and I speak for 5,000 employés in Trenton, East Liverpool, and other places—will suffer. We have had two potteries in the city of Trenton vacated in three years. Those are now engaged in the business of manufacturing lamps. I refer to the Clarke Company, particularly. They do not produce any pottery now. Their kilns have been torn down and moved out, and there is no man working there in the pottery business. There are firms there that are bankrupt to-day. I have here some samples of goods, and I will call attention to some few of them. For instance, a dinner set of 125 pieces, which in 1880 sold for $12.41, to-day is sold by the same firm for $10.34. This has been done under the present rate of tariff. The tariff rate has changed very little from that time to this.

Mr. BYNUM. Can you give the pay of labor for making that set?

Mr. WALKER. No, sir; I am not able to state that, for I understood that the manufacturers were to be here, and, therefore, I did not inform myself in detail.

Mr. PAYNE. What quality was that?

Mr. WALKER. That was porcelain. It was the best line of American goods in general use. The next grade of goods below that is white granite. A set of 125 pieces sold in Trenton, in 1880, for $10.34, and the same sells to-day for $8.27 a set. I have also a set of decorated ware which has equally decreased in price. I find that a set of 28 pieces

sold in 1880 for $6.50, and the same sells to-day for the same price. I want to state that the man who has had charge of that decorative department told me positively that these goods were superior to those which were sold in 1880.

We have made considerable progress in decoration. A set which sold in 1880 for $6.80 can be bought to-day for $3.75. In toilet ware we find that prices have equally decreased. A set of white granite ware which sold in 1880 for $2.80, sells to-day for $2.62. The 10 pieces which sold in 1880 for $1.95, sell to day for $1.56. It is clear that the tariff has had the effect to keep up wages, even though there has been an apparently small reduction. I do not think that there has been a reduction amounting to 5 per cent in our wages. The larger portion of the reduction has been on the common grades of goods, from the fact that some of them are on the free list. Since 1887 there have been only two reductions on the common grade of goods. This is evidence to me that the tariff on crockery has not had the effect of reducing our wages. In fact, I think it is shown that the development of this industry in years past has been very great. I may say to Mr. Bryan and the members of the committee, that although I can not answer his question quite positively, from statistics, that from the best information which I can get, there is not, at the present time, in all lines of crockery produced in this country, more than 50 per cent of home product consumed in this country, even under this high tariff. The increase in prices under the McKinley bill was so imperceptible that it did not make any showing in 1880, and yet the consumption has increased, while the amount manufactured in this country has not increased to a large extent.

Mr. TARSNEY. When you say the domestic manufactories only supply one-half of the American demand, why do you attribute the reduction in price to American competition?

Mr. WALKER. Simply because I believe that caused the prices to go so low as to force many of them out of the business.

Mr. TARSNEY. If foreign goods had been imported would domestic competition have produced this result?

Mr. WALKER. I suppose that domestic competition would not have increased.

Mr. TARSNEY. But competition has not alone reduced the foreign prices when you have only supplied one-half the demand of the country?

Mr. WALKER. That is a question which I can not answer accurately as I am only an operative. I represent the potters of Trenton, and I hope you will at least give this matter your most serious consideration.

Mr. TARSNEY. You have stated that the American labor cost in this industry was 60 per cent more than in England?

Mr. WALKER. I said it ran over 60 per cent. We receive 60 per cent at least.

Mr. TARSNEY. Now, do you not think that 55 or 60 per cent duty levied upon this product is ample protection for the difference in wages?

Mr. WALKER. Yes, sir.

Mr. TARSNEY. Do you not think that it is a little hard and unjust to the consumer of this product?

Mr. WALKER. No, sir.

Mr. TARSNEY. In order to make up this 60 per cent you think it requires 60 per cent on the aggregate cost of the goods?

Mr. WALKER. I think that there is a reduced price on crockery selling to-day because it is lower than it was ten years ago.

Mr. TARSNEY. You state that the wages of labor is 60 per cent more than it is in England?

Mr. WALKER. I stated that we received 60 per cent more than in all branches. My own branch receives as high as 100 per cent.

Mr. TARSNEY. There is no branch which receives less than 60 per cent?

Mr. WALKER. Not as I understand it.

Mr. TARSNEY. Did you hear the statistics read by Mr. Ikirt, the Representative of the East Liverpool district?

Mr. WALKER. I did not.

Mr. TARSNEY. Did you hear him state that the wages statistics showed that the wages were about equal there and here?

Mr. WALKER. I wish to state why this is so.

Mr. TARSNEY. You have stated that there was a difference of 60 per cent.

Mr. WALKER. I am speaking of mechanics' wages.

Mr. TARSNEY. You stated that there was no branch in this industry in which the cost was less than 60 per cent.

Mr. WALKER. Yes, I repeat that statement. The simple fact is that the Representatives' figures are for boys and girls employed, and not for mechanics. He did not quote a single man who received less than 60 per cent. I challenge the correctness of that statement.

Mr. BRYAN. You speak from the standpoint of an operative; I want to ask you, what you think of this proposition: Do you believe that a reduction of the tariff would reduce the price of goods? That is, would the manufacturers have to sell the goods for less if the tariff was reduced?

Mr. WALKER. Yes, sir.

Mr. BRYAN. Do you think that the price would bring a reduction to the laborer in wages?

Mr. WALKER. Most assuredly.

Mr. BRYAN. Have you any knowledge or have you made any computation showing whether you have received better wages than those working in other unprotected occupations, like farming?

Mr. WALKER. Yes, sir.

Mr. BRYAN. What right do you think you have to ask a man working in Nebraska in competition with the cheapest laborers in the world, and at less wages than you receive, to pay more for what he buys in order that you may get more wages than he?

Mr. WALKER. I want to answer that intelligently. I do not think that that is hardly a fair proposition on this account. I do not think that my wages should be brought down on account of that man receiving lower wages. I would rather see the standard of that man's wages raised, so that the man in Nebraska should get better paid in order to enable him to pay the extra price for his crockery.

Mr. BRYAN. Have you any plan by which he can get higher pay for his labor?

Mr. WALKER. No, sir; I did not come here for that purpose.

Mr. BRYAN. Will you give me any reason for the position you take that that man should pay higher for what he buys in order that your wages may keep up when he is receiving less wages than you are?

Mr. WALKER. I do not think, as an operative, considering the expense of living, that we receive any too much for our labor.

Mr. BRYAN. I am not saying you do, but you recognize that that man has no protection whatever against the cheaper labor of the old world. He sends his product to Liverpool, has to pay freight for its transportation, while the product which you manufacture is sold in

competition with the foreign product after it comes here. Do you not know that the average farm wages is not more than $18 per month?

Mr. WALKER. I do not know what it is.

Mr. BRYAN. The report issued by the last administration shows about that to be the average wages paid to the farm laborer in this country.

Mr. PAYNE. What report is that?

Mr. BRYAN. That is the report issued by Secretary Rusk. [To the witness:] You come before this committee and represent that the laboring men engaged in your industry do not receive sufficient wages?

Mr. WALKER. Yes, sir.

Mr. BRYAN. You come prepared with statistics and you say that you are receiving 60 or 100 per cent more than the same men employed in the farming industry?

Mr. WALKER. Yes, sir.

Mr. BRYAN. Can you give us, in justice or in right, any good reason why the people who buy your goods and who receive less wages than you do, should be made to bear this extraordinary burden for your benefit?

Mr. WALKER. I did not come here to answer any such question.

Mr. PAYNE. If wages have steadily advanced for the last thirty years under the protective tariff figures, that would take away some of the strength of the question proposed by Mr. Bryan?

Mr. WALKER. It certainly would.

Mr. PAYNE. You are a skilled laborer? It requires more skill to learn your business than to learn the business of farming?

Mr. WALKER. I should judge so, when a man has to serve six years' apprenticeship.

Mr. PAYNE. You recognize that skilled labor is entitled to more than unskilled labor?

Mr. WALKER. Yes, sir.

Mr. PAYNE. And you have come over here without any intimation from the manufacturers that they wanted you to come?

Mr. WALKER. Positively.

Mr. PAYNE. There has been no reduction in wages except in the manufacture of sanitary ware, or plumbers' supplies?

Mr. WALKER. No, sir.

Mr. PAYNE. That is a small portion of the business. In the bulk of the business there has been no decrease in wages?

Mr. WALKER. No, sir.

Mr. PAYNE. It has not been to exceed 5 per cent in the last ten or twelve years?

Mr. WALKER. Not since 1888.

Mr. PAYNE. Is it not a fact that in some lines of business prices have advanced within the last twenty-five years?

Mr. WALKER. Yes, sir.

Mr. PAYNE. These are the branches which have made the higher grades of goods?

Mr. WALKER. Yes, sir.

Mr. PAYNE. Of course the higher grade of goods command higher wages. Has there not been a readjustment of wages generally since 1888?

Mr. WALKER. There has been a readjustment in this way, that some men in the better grade of goods who are skilled have been receiving a little higher wages.

Mr. PAYNE. You say you represent some 5,000 workingmen?

Mr. WALKER. Yes, sir.
Mr. PAYNE. Are they united?
Mr. WALKER. I have not heard a single objection to this tariff.
Mr. PAYNE. Are Republicans and Democrats alike united?
Mr. WALKER. There are a number of potters who are Democrats, but they are firm in their belief in protection.
Mr. BRYAN. How long did you work as an apprentice before you became skilled?
Mr. WALKER. Five years.
Mr. BRYAN. I suppose that a farmer may work twenty years at that business and remain a raw laborer?
Mr. WALKER. I have had no experience in farming.
Mr. BYNUM. Were you at work in this country in 1883?
Mr. WALKER. Yes, sir.
Mr. BYNUM. Was there any increase in wages in 1883?
Mr. WALKER. There was, just about the time the potters were branching out in this country in a line of porcelain goods.
Mr. BYNUM. You say that there are in Trenton two firms which are in the hands of a receiver.
Mr. WALKER. One went into the hands of a receiver about three or four months ago.
Mr. BYNUM. That has all occurred since the passage of the McKinley bill?
Mr. WALKER. Yes, sir.
Mr. BYNUM. It is worse than I thought it was.
Mr. PAYNE. In the last ten years more than three have gone into the hands of a receiver?
Mr. WALKER. Yes, sir; had the Mills bill passed I think that almost every thing in Trenton would have gone into the hands of a receiver.
Mr. BRYAN. Was that told you by the manufacturers?
Mr. WALKER. No, sir; that was my own opinion.
Mr. BRYAN. Did they not tell you they would shut up if the Mills bill went into effect?
Mr. WALKER. They told us that there would have to be a readjustment of the selling prices.
Mr. BRYAN. Did they tell you that wages would be reduced if the Mills bill went into effect?
Mr. WALKER. Yes, sir.
Mr. PAYNE. It was not necessary for them to tell you that?
Mr. WALKER. No, sir; we knew it.
Mr. BRYAN. What reduction did the Mills bill make?
Mr. WALKER. I do not know that I can intelligently answer that.
Mr. BRYAN. That bill only made one reduction in the pottery schedule?
Mr. WALKER. I could not state. You have the statistics.
Mr. BRYAN. You know that if that bill had gone into effect it would have ruined the industry?
Mr. WALKER. I know that we would have suffered.
Mr. BRYAN. You know that?
Mr. WALKER. I believe that.
Mr. BRYAN. You believe that without knowing what the bill provided?
Mr. WALKER. You do not ask practical questions. I do not think it is right to ask me questions on which I ought not to be expected to have personal knowledge.

STATEMENT OF W. V. BLAKE, OF EAST LIVERPOOL, OHIO.

Mr. CHAIRMAN. In behalf of my fellow-workmen, the Operative Potters of the Ohio Valley, I respectfully ask you not to lower the schedule on pottery. Any reduction of the tariff will most assuredly reduce our wages and degrade our labor. It will endanger the prosperity and happiness of the American potter. For the sake of the hundreds of idle potters who are now walking the streets; for the sake of our wives and children, we implore you not to reduce the tariff.

As an American citizen and potter, I ask you, in the name of all that is noble and good in civilized life, to let the safeguard of our industry stand erect. To reduce the tariff will be the death-blow to our factories.

We do not come here to dictate to you, we come here as suppliants. Gentlemen, the responsibility rests with you. Will you elevate the honest toiler by allowing the tariff to remain, or will you humiliate and degrade labor by the advocacy of lower tariff? I pray God that the results of your deliberation be such as shall cheer the hearts and encourage the 9,000 potters of the Ohio Valley.

We beg of you to recognize no conditions that will allow our industry to come in competition with foreign products. The grades of ware we are manufacturing to-day will not only bear favorable comparison with any ware made in the world, but stands second to none. Therefore, I ask you again to allow the tariff to stand as it now exists.

STATEMENT OF WILLIAM BURGESS, OF TRENTON, N. J.

Mr. CHAIRMAN. The time is so very short that I am afraid that I can not do justice to my end of this affair, but I will try to condense it as much as possible and will present a few trenchant facts.

We all recognize the fact that the cause of the manufacturing potters and the operative potters is one and the same. We have no thought that we as manufacturers ought to come here to bolster up our own industry from our own standpoint. We thought that something ought to be said in regard to the workingmen, but they have been here and have pleaded their own cause. They have told you distinctly that their wages are entirely dependent upon the tariff. We come here not to ask that the tariff rates be increased, but that we do get better protection. If we had a duty now levied at 55 and 60 per cent and it could be collected, we would have sufficient protection, but there is no industry that I know of that is so open to loopholes for fraud as this particular branch. When goods arrive I defy any examiner to take a crate of ware and state what is in the shipment or to tell how a single sample may compare with a crate of goods. It is difficult to tell the different qualities of ware. There are a great many goods imported into this country as inferiors, seconds and thirds, and lump. We have no way of preventing that. We have no chance of stopping that kind of fraud. That is equal to a reduction of the rate. I can assure you, gentlemen, from facts that have been stated and that have come to my knowledge and from what I know also, that a number of works are in the hands of receivers, and owing to the depressed condition of business that there is no profit, worth speaking of, at the present time in the crockery business. There may be individual cases where, perhaps, some manufacturer has made 10 per cent, but I will guarantee that there has not been, as a whole, any thing like 8 per cent made in the business in the last three to five years. The amount of labor entering

into the product is 90 per cent of the cost. From 50 to 60 per cent of the actual amount paid on our pay-roll labor cost. The material makes up the balance.

The potters of the United States do not wish a reduction of the duty on clays and raw material, for the simple reason that they recognize that raw materials, having been protected, have developed resources in this country that have never been known to exist before. We have now a number of clays developed within the past few years. I have a prospectus of one of the concerns which I will leave. The quality of these clays have been recognized by the manufacturers of this country and foreign countries as equal to anything presented to the pottery manufacturers of the world. This is particularly the case with reference to the clays produced in Florida, North and South Carolina, Virginia, and Texas. Those clays are worth from $25 to $80 per ton.

Mr. PAYNE. You refer to kaolin?

Mr. BURGESS. It is china clay or disintegrated rock, and worth from $7.50 to $10 per ton.

Mr. PAYNE. The duty is about 33⅓ per cent.

Mr. BURGESS. We do not use foreign material.

Mr. PAYNE. If you do not use more than 10 per cent and the duty on the material is 33⅓ per cent of course free clay would not cut much of a figure.

Mr. BURGESS. But the proportion of the material is more than 10 per cent.

Mr. PAYNE. You say that labor is 90 per cent?

Mr. BURGESS. The total labor that we pay is from 50 to 60 per cent, perhaps 55 per cent.

Mr. BRYAN. You have the total product of your own factory?

Mr. BURGESS. I have the total product of very nearly all the factories in the country.

Mr. BRYAN. You have that of your own factory?

Mr. BURGESS. Yes, sir; it is in the neighborhood of $175,000.

Mr. BRYAN. What is your pay roll?

Mr. BURGESS. About $80,000.

Mr. BRYAN. A little less than 50 per cent.

Mr. BURGESS. Yes, sir; of the total amount.

Mr. PAYNE. It does not include packing and shipping and making sales?

Mr. BURGESS. No, sir.

Mr. PAYNE. How much does the pay roll amount to?

Mr. BURGESS. It would amount to between $90,000 and $100,000. We have a total number of eighty-one potteries in this country. They are distributed as follows: Twenty-six in New York; eight in Ohio: five in Maryland; three in Pennsylvania; one in Indiana; five in West Virginia; one in Massachusetts; one in Illinois; two in Virginia, and others in the different States. The capital invested is about $8,000,000, and the annual product is from $8,000,000 to $9,000,000. The value of the material used, including fuel, is in the neighborhood of $4,000,000 and the wages paid is about $4,000,000, and the number of employés is from 10,000 to 12,000.

Mr. PAYNE. You produce about two-thirds of the consumption of the country?

Mr. BURGESS. We calculate that we produce a little over one-half of the consumption of the ordinary lines of goods. The material in the ground is worth $25 to $50 a ton. It is worth from $8 to $10 a ton when it is ready for the potter. When it is made into a plate it

brings the value up to $80 per ton. When it goes through the hands of the decorator, it is increased 332 per cent. In the finest grade of goods, when manufactured it is worth considerably more than its weight in gold. This shows that the labor which enters into the manufacture of goods adds vastly to its price.

We do not want a reduction in the duties on clays simply because it has devoloped clays in this country that we knew not of.

For every reduction of 15 per cent, taking it in round numbers, in the rate of duty, the wages of the men must come down 15 per cent, in order to equalize things.

The manufacturers do not intend to come before this body as manufacturers, but out of justice to labor, for they fear being misunderstood by labor and they fear being misunderstood by this committee. We have therefore come here to present this matter so that if any tampering is done with the tariff that will injure the industry we want the blame to rest where it belongs and not with the manufacturers.

Mr. BRYAN. How long have you been in the business?

Mr. BURGESS. Since 1879.

Mr. BRYAN. Have any reductions in wages been made during that time?

Mr. BURGESS. There was one partial reduction of 8 per cent. It amounted to a total reduction of only about 2 per cent. It was counterbalanced because we increased the wages in making a certain class of goods of an irregular shape.

Mr. BRYAN. But for the ordinary grade of goods there has been no increase?

Mr. BURGESS. The goods I mention are ordinary goods. They take the place of the oval-shaped covered dish. They were made with square corners and sold at the same price. They were more difficult to make, and we recognized that by giving more wages for them.

Mr. BRYAN. Was that reduction of 8 per cent caused by the reduction of the tariff?

Mr. BURGESS. No, sir; there was no reduction on the tariff in 1885.

Mr. BRYAN. Was there any strike against that reduction?

Mr. BURGESS. Yes, sir.

Mr. BRYAN. You did not lay that reduction at the door of the Ways and Means Committee, at that time?

Mr. BURGESS. No, sir.

Mr. BRYAN. But in case there is a reduction made now, you would lay that to the Ways and Means Committee?

Mr. BURGESS. Undoubtedly.

Mr. TARSNEY. Was that reduction per piece or per diem?

Mr. BURGESS. It was 40 per cent on piece work. Almost every thing in pottery is made on an increased schedule in point of size.

Mr. PAYNE. Wages depend somewhat upon piece prices, and therefore whatever invention has been introduced has resulted to the benefit of the laborer, rather than to the manufacturer?

Mr. BURGESS. It has been for the benefit of the laborer in almost every instance.

Mr. BRYAN. The laborer, you say, gets more wages but not more per piece?

Mr. BURGESS. He gets less per piece but makes more wages at the end of the week.

Mr BRYAN. Is there any instance in your industry where you pay the same per piece as you did in 1879?

Mr. BURGESS. Yes, sir; that is the case in what is known as pressed

ware; such pieces as covered dishes, saucers, soup tureens, and that class of goods.

Mr. PAYNE. Notwithstanding the machinery which you use the work must be done mostly by hand?

Mr. BURGESS. Yes, sir.

Mr. PAYNE. Each piece must be handled?

Mr. BURGESS. Yes, sir; making a vast number of handlings.

Mr. PAYNE. The work is done by contact with the human hand, and no machine has yet been made as a substitute for the human hand in that business.

Mr. BURGESS. No, sir; except in the melting department.

Mr. PAYNE. Melting is done by hand.

Mr. BURGESS. Yes, sir; a certain class of goods must be handled in the making. One of the great difficulties of the pottery business is that when ware is made it is not finished. It is in the clay and is in a brittle state. It has, after the first fire, to be taken out, sanded, brushed, dipped, and fired again. There is a great deal of loss.

We would earnestly request that there be no change in the classification on pottery goods. There was in the old bill of 1883 a loophole for bringing in certain classes of crockery ware as toys. That has been stopped by the McKinley bill. That custom of bringing in toys entirely ruined the manufacturers in that class of goods in this country.

Mr. PAYNE. Was there not some trouble in the law of 1883, whereby they brought in some goods as not decorated, when they were decorated. Goods were imported as not decorated so as to get in at a lower rate?

Mr. BURGESS. Yes, sir.

Mr. PAYNE. That is not the case under the law of 1890. Mr. Jones had something to say about that.

Mr. BURGESS. Yes, sir; that was the package clause. I was glad to hear Mr. Jones recommend a continuance of that in the pottery business, because there has been no one thing that has so injured the business as that fraud. I have known of instances where the package on crockery was over 50 per cent of the value of the invoice.

Mr. TARSNEY. In a case of that kind it would not be the ordinary package?

Mr. BURGESS. I have known a case where there was a certain number of plates packed in fancy boxes to be used for other purposes, when the box was opened. This fact has been referred to, that 10 per cent of the revenue on packages amounted to a 10 per cent increase of duty. You can figure out that on the cheapest class of goods. It did not amount to 5 per cent.

Mr. BRYAN. Have you an office across the water?

Mr. BURGESS. We sell on the other side. When the McKinley bill went into effect there was a slight change in the prices of manufacturers on this side, but I do not think that the importers can say that we increased the prices on this side.

Mr. TARSNEY. If an article sold at 2 cents over there it would be given away here, because the price could not drop below that, and you say that the seller dropped the selling price to correspond with the duty?

Mr. BURGESS. The article would not be given away; it would find another market. Things of that kind have been done. There is no question but what the foreign manufacturers are eagerly looking at the present time to this country, which is the best market in the trade. This is what they tell me. It has been said that the duty increases the cost of the goods. I had sent to me in 1889 a plate from a certain

dealer, which is a counterpart of the one displayed here. I could not find the original one. They wanted us to manufacture one like it, which would sell at 10 cents per plate, or $1 per dozen. When I went on the other side of the water I happened to recognize one of these plates in a window, and I went in and asked the retail price of the plate, to which I have referred, and learned that it was 10 cents. The retail price was 10 cents, or $1.22 a dozen. We are making this article to-day to take the place of that. The matter of failures I will not touch upon, as that has been pretty well treated.

The matter of natural advantages has been mentioned on some occasions. We claim to have no natural advantage. We have had prejudices to contend with, which prejudices have been fostered in the minds of the American people by many of the importers, so much that I know of some who have sold inferior goods. No matter how old the goods may be the dealers will put them on the table and make them appear as new English goods. That is business. That is why they get trade. They have worked up and fostered this prejudice against American goods.

We have to carry in this country a much larger stock than they do in England. I was greatly surprised on entering a manufactory in England of twenty-one kilns—we have only six kilns—and we carry a stock on an average of $40,000 worth. The manufacturer abroad told me that in his works of twenty-one kilns they only had $8,000 in stock. Eight thousand dollars in stock with twenty-one kilns, against $40,000 in stock and six kilns! We need more capital to do business than they.

Mr. TARNSEY. What is the cause of that difference?

Mr. BURGESS. They do business on orders and are not compelled to keep the stock which we keep. Our stock usually runs down at Christmas time.

Mr. PAYNE. Why is it that he gets along with so small a stock?

Mr. BURGESS. The orders are sent there and the goods are shipped immediately to this country and in many cases they invoice the bill of lading, which is taken to the bank and they get the money.

Mr. PAYNE. The importer keeps the stock?

Mr. BURGESS. Yes, sir. The jobber in this country largely uses American manufacturers as a matter of convenience. We have to carry a stock and if they want goods they will buy. We have to keep the stock and if they want it they come and buy. We book the order sent to them to fill. They get the cream and we get the skimmed milk. We have no geographical protection in this line of goods. The rate from San Francisco to New York is in the neighborhood of $23 per ton. The rate from Liverpool to San Francisco I have known to be as low as $1.50 for the same line of goods.

Mr. PAYNE. How does the rate from Liverpool compare with the rate from Trenton to New York?

Mr. BURGESS. It is about one-half the price of the rate from Trenton to New York.

Mr. PAYNE. Is that the rate at the present time?

Mr. BURGESS. It is a little more.

Mr. PAYNE. How much more?

Mr. BURGESS. I am not prepared to answer that accurately.

Mr. PAYNE. These goods being so valuable according to weight, it does not cut much of a figure?

Mr. BURGESS. Not on the higher class of goods.

Mr. TARSNEY. Your factory being located in a populous district gives you some advantage in the rates of freight?

Mr. BURGESS. We do not have any advantage in that way. The rates at the present time from Liverpool and to almost any other inland port, are cheaper than from our shipping point to Trenton, and cheaper than to New York.

Mr. BRYAN. The long and short haul does not cover that?

Mr. BURGESS. It does not seem to. Goods come to Chicago through the lakes and from Montreal down that way.

Mr. BRYAN. That rate to San Francisco was by water?

Mr. BURGESS. Yes, sir; It was not across the country.

STATEMENT OF MR. JOSEPH WILLETS, OF TRENTON, N. J.

Mr. CHAIRMAN: The consideration of the revision of the tariff now before your honorable committee, fraught as it is with the greatest interest to the people of the United States, we desire to offer for your careful consideration the following statement of facts relating to the pottery industry of this country:

REDUCED TARIFF MEANS REDUCED REVENUE.

The English Government returns of the exports of pottery wares to the United States for the years 1890–'91–'92 and for seven months of 1893 show as follows:

	Pounds sterling.
1890	904,557
1891	902,161
1892	918,510
Seven months, 1891	504,518
Seven months, 1892	499,191
Seven months, 1893	613,033

From United States Bureau of Statistics, the imports of pottery wares for 1890 were $7,030,985; for 1891, $7,703,338, and for 1892, 8,293,770.

The above figures show that the present tariff rates have not curtailed or diminished the importation of English pottery wares, but on the contrary, the increase for 1891 and 1892 has been a little over 20 per cent, and the total imports from all foreign countries has increased about 8 per cent. Consequently the revenue has increased under the present tariff rates, and any reduction of the tariff rates, short of crippling the American potters and reducing American production, must result in a loss of revenue.

REVENUE TARIFF MEANS REDUCED WAGES.

We most positively assert that the wages paid in the American potteries are fully double those paid in the English potteries (see p. 8 of Argument before the Tariff Commission, August 22, 1882, herewith annexed, and also Tariff Commission Report, p. 1980, etc.), and the difference between American and German wages is still greater.

The present tariff rates falling far short of the differences between American and foreign wages, there is an absolute certainty that any decrease of the present tariff rate must be followed by a decrease in wages. Any reduction of tariff rates that will not cripple or close the American potteries can not sufficiently increase the importation of

pottery wares enough to offset the reduction of revenue caused by the reduced rate made.

If the tariff rate is reduced, the working potters must accept a corresponding reduction of wages or find other employment, which, when thousands of other artisans are in a similar condition, will be very difficult to do. Should the reduced rates of tariff produce a sufficient increase of importation to increase the amount of revenue collected, this increase of importation must surely result in less work for the American artisan, and more for his foreign competitor, working for far less wages.

COST TO CONSUMERS.

With the increase of the tariff rates the cost of pottery wares to the consumers has steadily declined. The tariff rate previous to 1860 was less than one-half of what it now is. Then there was no American competition. The cost of crockery to the consumer at that time was 60 per cent greater than it now is. That is to say, that $100 will now buy for the consumer as much crockery as $160 did buy in 1860.

MATERIALS.

We are opposed to materials being placed on the free list, for the reason that they are the finished products of those who prepare them for the potters, and for the further reason that the present tariff rate should be maintained, in order to encourage the development of the clay resources of this country. Under this encouragement several remarkable discoveries of excellent clays have been found in Florida, North Carolina, and elsewhere, within the past three years, of kaoline of very superior quality for potters' use.

Respectfully submitted.

JOHN MOSES,
GEORGE H. GOODWIN,
J. H. BREWER,
JOSEPH WILLETS,
JOSEPH MAYER,
JOHN N. TAYLOR,
EDWARD M. PEARSON,
Ex. Com. U. S. Pottery Association.

We think the duties on packages shuld be retained, as it has formerly been the door through which the greatest frauds on the revenue have been perpetrated.

Mr. WILLETTS addressed the Committee:

Mr. Chairman and gentlemen of the committee, I have submitted this paper. I had hoped to read it, but I will leave it with the reporter, and in doing so I would like to suggest one thing in regard to the prices.

It has been said that the prices of crockery have been greatly reduced. I have the books of our concern, which has been in business for seventy years past. I looked over these for crockery for fifty years and compared them with the prices at the present time. I did not quite succeed in going back fifty years, although I went back forty-seven years and I find that $100 at the present time will buy as much crockery as $160 did in 1860, when the tariff was less than it is to-day.

Mr. TURNER. Do you make sanitary pottery?

Mr. WILLETTS. We do make some sanitary goods. That was, in fact, the main part of our business.

Mr. TURNER. Is that branch of your business in a trust?

Mr. WILLETTS. No, sir.

Mr. TURNER. Is there any combination about it?

Mr. WILLETTS. There is an association, similar to the association which has been mentioned here.

Mr. TURNER. Does it regulate the output or prices to the wholesale merchants, or as to the matter of discounts?

Mr. WILLETTS. It does arrange for the matter of discounts.

Mr. TURNER. It does dictate prices?

Mr. WILLETTS. It does.

GLAZED BRICKS.

(Paragraph 94.)

NEW YORK.

Prior to the enactment of the law of 1890 the duty on these bricks was 20 per cent ad valorem, which, for 1,000 brick, glazed white, ivory and cream on one long side, was $8.60.

Since the enactment of the law of 1890 the duty on 1,000 brick, glazed white, ivory and cream on one long side, is $22.95.

The law of 1890 raised the duty from 20 per cent ad valorem on brick to 45 per cent ad valorem, and in addition compelled the payment of 45 per cent on the cost of packing and package in which the brick are shipped for protection during transportation.

THE ADVANCE IN DUTY IS 167 PER CENT.

Glazed brick are not a luxury, but a necessity. They are employed for wall linings, either for reflective purposes or for sanitation.

The cost of packing these bricks at the works in England, and transportation to seaboard, freight from Liverpool to New York, Boston, Philadelphia, and Baltimore, marine insurance and import expenses, increase the cost of the bricks as they are sold at English makers' works 45 per cent, which is a protection to any American manufacturer irrespective of any duty imposed by a tariff law, as the American maker would be able to deliver brick in bulk, either by carts or shipping loose in freight cars.

Through the increased duty, the purchasing power of a dollar has been reduced, as a less quantity are now bought for $100 than could be purchased prior to the enactment of the law of 1890, the initial price at works and other import charges not having altered.

There is no comparison in quality between the English salt glazed and enameled bricks and any American production.

A modification of the duty would injure no one and benefit many.

Yours, very truly,

HOWARD FLEMING.

ENCAUSTIC TILES.

(Paragraph 94.)

STATEMENT OF MR. WALKER.

SEPTEMBER 14, 1893.

Mr. Chairman and gentlemen of the committee, on behalf of the Floor, Encaustic, Vitrified and Enamel Tile Manufacturers, we desire to call your attention to the following facts:

Our industry has been entirely developed since the centennial exhibit, which was the means of calling the attention of the pioneers to the business, and causing them to enter into the manufacture. Prior to that date all tiles used in this country were imported and sold by importers at such high prices that almost prohibited their use. For the first five or six years after the above date, the industry was in an experimental state, which was the cause of very heavy losses to those engaged in the manufacture at that time. As an instance, we can refer you to a large factory located in Indianapolis, which not only ruined its owners financially, but brought disaster on other institutions in which they were connected. Since the American manufacturers partially overcome the difficulties connected with the manufacture, the prices of these goods have been gradually reduced until to-day they are selling at lower prices than ever known in this country. As an illustration, the tile that came into general use and such as enter into use in the houses of moderate cost have been reduced in the past seven years from 55 to 25 cents per square foot; and while the price to the consumer has been gradually reduced, yet the prices paid to the laborer have not been lowered, but in many instances have been advanced as the workmen have become more proficient. Our principal reason for not being able to compete with foreign manufacturers is the difference paid for wages, the rates in many instances being less than one-third of those paid in this country.

The time has now come when a further reduction in prices will necessitate a reduction in wages now paid, and we are of the opinion that the wages are not excessive, and would regret exceedingly to be compelled to take any steps toward a reduction. At this time, the importations of foreign tile amount to one-fifth of the tile used in this country. It will thus be seen that the present rate of tariff is not prohibitory, and for this reason and those above stated, we beg your honorable committee to retain the present tariff rates in justice to both the manufacturers and the laborers.

CEMENT.

(Paragraph 95.)

TUESDAY, *September 5, 1893.*

Hon. C. J. Erdman, of the Ninth Pennsylvania district, appeared before the committee, accompanied by Mr. R. W. Lesley.

Mr. ERDMAN. Mr. Chairman and gentlemen of the committee, I wish to introduce to you Mr. Lesley, of Philadelphia, who is an importer and manufacturer of cement. He has statistics with him and has given the subject consideration for many years.

STATEMENT OF MR. R. W. LESLEY, OF 220 SOUTH THIRD STREET, PHILADELPHIA AND 54 PINE STREET, NEW YORK.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I have some pamphlets here which briefly describe the grounds upon which the present tariff is asked to be sustained on this article [handing same to the committee]. If there are any slight inaccuracies in the figures, I must beg the indulgence of the committee, for I have had only about twenty-four hours' notice to prepare it, but I have done the best I could in the limited time I had at my disposal.

Mr. BURROWS. You are not asking for a change in duty?

Mr. LESLEY. I am asking for the retention of the present duty, which was the same duty as the Senate bill of 1877, the Mills bill, and the Randall bill enacted, with the exception it was an ad valorem duty then, and now it is a specific duty, slightly less than the ad valorem duty. With the permission of the committee I would like to say a few words about what cement is. When I first went into the business I thought cement was a sticky thing which came in bottles. There are two grades of foreign cement, and the higher grade is imported into this country; and in that connection it may be of interest for you to know how the two grades are manufactured and how a specific duty is asked to obviate undervaluation. There are two kinds of cement, natural and artificial. The natural cement consists of quarried limestone, which contains a certain per cent of clay, which is burned in a kiln, drawn out at the bottom, ground, and put in barrels and shipped. The rock is taken in a condition of nature, as you see; it is burned at a low heat, and it is simply ground and shipped. The Portland cement, which is the article which largely comes in under the duty, is an artificial product by which man has sought to improve on nature and sought to increase the strength and durability of the article 100 per cent.

Mr. BURROWS. Is all Portland cement of that character?

Mr. LESLEY. Yes, sir. Portland cement is an artificial product, therefore, made of marl and clay, or chalk and clay, or limestone and clay. The material is taken and ground into an impalpable powder. That powder is either in a liquid form or dry form, and is molded into bricks or blocks, making a new material in which all the little granules are in close union. It is then presented to the high heat of the kiln, 2,000°, as against 800 for the common, when there is a chemical union, and the product, instead of being a friable substance like the common cement, is a clinker-like slag. That requires nearly double time in grinding, it being much harder, and produces what is known as Portland cement to commerce, which is used for the foundation of aqueducts, dams, and works of that kind, while the natural cement, which is largely produced both here and abroad, is ordinary cement, which is used for cheap brickwork and dwellings and things of that kind.

Now, with reference to the fact of the ability of the United States to produce Portland cement, I desire to say that the returns of the United States census for the past year show 87 cement works in the United States. They are distributed in almost every State of the Union, and it is an industry that is certain to grow, and it is destined to become one of our largest industries. Germany, with a much smaller area, produced nearly 30,000,000 barrels. This country has a cement belt extending from Texas right straight through the southwest, middle west, and up to Winnepeg, in which Portland cement will be manufactured; in fact, there are three in that belt now. There are works in Utah, North Dakota, and Kansas on that belt, as well as one in Texas. In

the southeast there is a large area of territory around Chattanooga and Atlanta where cement can be made. Indiana is a large producer of cement, Ohio is a producer of cement, and New York is a large producer of cement. There are nearly 8,000,000 barrels made and distributed over twenty States of the Union. In California there are also works.

Now, having stated briefly what this cement is and where it can be made, and shown, I think, it is a national industry and not confined to one locality——

Mr. BURROWS. When you spoke of the number of works, how many did you say?

Mr. LESLEY. Eighty-seven.

Mr. BURROWS. Are those Portland cement works?

Mr. LESLEY. There are about 17 Portland cement works and 70 common works.

Mr. DALZELL. Why is it called Portland cement?

Mr. LESLEY. The reason is when it was first discovered in England, in about 1840, the leading building stone used there was known as "Portland" stone, found, I think, on the island of Portland, off the English coast. When you mix the powder with water and it becomes hard like the artificial stone pavement it has exactly the same color as the Portland stone, so it got the name of Portland, as the name "Roman," which represents the common natural cement. The history of the natural cement manufactured in the United States goes back to the canal. Wherever there was a canal, necessity, the mother of inventions, required something that would stand under water. They looked around and found a rock, calcined it, and made cement. On these or near them are works. At Hudson there are works producing 3,000,000 barrels. Along the Potomac it is the same thing. So the history of this country is that where there were canals there were cement works; the canal at Utica is an illustration.

Now, with reference to Portland cement. That cement is to a certain extent of slow growth. It started in 1865 and went slowly along and I suppose there were probably four or five million dollars lost in that industry. To-day within two years the output of Portland cement has increased from 250,000 barrels to 450,000 barrels, so that while four years ago there was about one-twentieth of the Portland cement consumed manufactured in this country, to-day nearly 25 per cent is made here, that industry having grown more than double within the last two years since the enactment of the specific duty instead of an ad valorem duty.

Mr. DALZELL. What is the duty?

Mr. LESLEY. Eight cents per 100 pounds and the old duty was 20 per cent. The history of the duty on cement is as follows: Under the act of 1883 the duty was fixed at 20 per cent ad valorem. Under that act the average invoice price of cement up to and including 1886 was from $1.80 to $2 per barrel. On that the average duty was from 36 to 40 cents. In 1886, by a decision of the Secretary of the Treasury, making the barrels and inland transportation nondutiable, the duty in that year fell from 36 cents to about 24 cents, the reduction being due to the valuation of the barrels and inland transportation. From 1887 until 1890 the importation kept on, but there was a gradual shifting from the nondutiable barrel to the dutiable cement; that is to say, that the barrel which in 1887 represented 50 cents and the cement represented $1.20 gradually grew so that the barrel represented $1.20 in 1890 and the cement represented 60 cents, and by arithmetical

progression in two more years there would have been no more dutiable cement.

Mr. HOPKINS. How did that come about?

Mr. LESLEY. I do not know, but that was the way it was going, because it fell little by little until it got to 60 cents.

Mr. HOPKINS. It was by undervaluation under the ad valorem system?

MR. LESLEY. Yes, sir; with the barrel nondutiable. In 1887 the question was before the House at the time of the Mills committee, and the matter was met with the utmost fairness by nearly everybody who had charge of the tariff of that year. There was not a single one of the various bodies who had charge of it that did not treat it with perfect fairness and see the difficulties of the situation. The result was that in the three bills presented, the bill by the late lamented Mr. Randall, the Mills committee, and the bill the Senate produced, each of those bills reënacted the duty on the barrel and on inland transportation and left the duty at 20 per cent ad valorem. In 1890 the McKinley committee gave hearings, and as the result of the evidence then before them the duty was fixed at 8 cents per 100 pounds specific instead of ad valorem. By a comparison with the duty as it then existed, had the barrels been dutiable and the duty as then fixed ad valorem, there was an actual reduction of the duty about 8 cents per barrel in the better grades of cement. That is the general tendency of legislation on this subject.

Now, in order to consider what the result of the tax is and to see whether it is a tax or a fair tax and a tax that is made for the country in every sense, it would seem one of the fairest tests of the thing would be to see if it reduces the price to the consumer. The second thing after reducing the price to the consumer is, does it yield the Government more revenue, and it seems to me that if the tax reduces the price to the consumer to the extent of 25 per cent and increases the tax to the Government when it yields in dollars nearly 200 per cent, that such a tax falls within the definition of a tax that is certainly a tax for revenue. I have here some figures which show—I have the original bills and documents here if any of you gentlemen care to examine them—at the time the McKinley bill took effect, July 1, 1890, the four leading brands of cement imported into the port of Philadelphia, as per the bills and invoices hereto appended, cost the importer as follows, laid down in Philadelphia: Hilton (English), $2.35; Burham (English), $2.35; Dyckerhoff (German), $2.60; Heyn (German), $2.35. Since the passage of the McKinley bill the prices of the same brands of cement, laid down in Philadelphia, have steadily fallen, so that to-day, as per the bills herewith of August, 1893, the same brands cost laid down, duty paid, at Philadelphia, as follows: Hilton (English), $1.98; Burham (English), $1.97½; Dyckerhoff (German), $2.35; Heyn (German), $2, showing an average reduction on the four brands of cement of nearly 34 cents per barrel.

Mr. HOPKINS. You say it costs the importer?

Mr. LESLEY. Yes, sir; I said it. I have these figures for four years—1890, 1891, 1892, 1893. They are all here.

Mr. HOPKINS. So the workings of the McKinley bill on this item have reduced the cost of the article to the consumer, while the Government has derived a revenue from the importation?

Mr. LESLEY. Yes, sir.

Mr. DALZELL. I suppose the foreign producer reduced his price so as to meet the duty?

Mr. LESLEY. I imagine that must be the case.

The CHAIRMAN. Did not you say just now that changing the ad valorem to a specific duty had really decreased the duty?

Mr. LESLEY. Yes, sir; I had stated that the average duty under that act of 1883 with the administration clause would aggregate about 20 cents; while the specific duty would aggregate about 32 cents.

The CHAIRMAN. Then your contention is, by diminishing the duty under the McKinley bill that diminished the price to the consumer all over the world?

Mr. LESLEY. No, sir; I beg leave to correct you.

The CHAIRMAN. That is the line of argument you are pursuing.

Mr. LESLEY. I would say this, that duty with the barrels dutiable did not exist at that time; that the duty was only about 12 cents; it had gotten down as low as 12 cents, and you will find by the figures I have here for the year 1889, the year before the passage of the McKinley bill, there were 1,740,000 barrels imported, and the valuation on that was $1,704,000; the undervaluation being nearly 60 cents a barrel.

Mr. HOPKINS. That was a fraud perpetrated by the foreign importer?

Mr. LESLEY. That was an undervaluation, I do not know whether willful or——

Mr. BYNUM. The undervaluation was caused by the fact the packages were free of duty?

Mr. LESLEY. Yes, sir; and also by paying the duty on the cheaper cement when they were importing the better grade of cement. This was very easy by reason of those two grades being so much alike in color. You could not tell under a twenty-eight days' test whether I shipped a barrel of common cement or Portland cement; they look alike and feel alike and it is difficult to distinguish.

Mr. HOPKINS. They would send over Portland cement labeled common cement and then after they got it here they would sell it on the market for Portland cement?

Mr. LESLEY. Yes, sir; in one case where I was the appraiser in New York—I have served as what is called a merchant appraiser—there was a case where a man sent over a thousand barrels and he sent labels. He sent the barrels over blank and then sent Portland cement labels under cover by mail to be put on those barrels when they landed here. In that case the tax was raised 50 or 60 cents a barrel on that invoice.

The price having gone down, the result to the Government in 1890—I am giving you returns as I have them for the calendar year, which I have from the United States Geological Survey, inasmuch at they compare with the calendar year of the producer. I have here also the fiscal year, but for the purpose of equalization I use the calendar year—the result is, in the calendar year of 1890 there were 1,940,186 barrels imported and in 1891 there were 3,988,313 barrels imported. The yield to the Government in 1890 upon the value of the importations—viz, $2,249,741—was $449,928.20, while the yield to the Government at the increased duty upon the increased importation was $1,276,259.16, so that in the years mentioned it is shown that the increase of the duty did not diminish the amount of importation and the actual gain to the Government was $826,330.96. That is, for the calendar year; but by taking the same fiscal year of 1891 the import was $2,807,000, and that gave $898,000—a gain on the amount of cement that came in under the previous year, 1890, under the old tariff, of $400,000, and a reduction to the consumer in that year.

Having shown the decrease in the price and the increase in the revenue by the figures here, there is one thought which seems to me

progression in two more years there would have been no more dutiable cement.

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Having shown the decrease in the price and the increase in the revenue by the figures here, there is one thought which seems to me

largely goes to the consideration of a tariff question such as this, and that is the question whether those who are here are here representing a monopoly or any trust, or seeking any advantage of a character which would tend to enlarge and monopolize any particular industry. Now, in the cement business, I desire to say it is absolutely free from any trust, that there is not a single trust of any kind in the business, and the best proof of that fact is that by referring to the figures on the last page of my pamphlet you will see that the price of the American cement, though the volume has increased, has steadily come down, and that while the total production of 1891 was 7,607,067 barrels that it yielded to the producer less than the 6,942,774 barrels in 1887.

Mr. GEAR. There is no combine to control the price?

Mr. LESLEY. No combine, trust, or combination of any kind whatsoever. Further than that, inasmuch as there is no trust in this industry to squeeze the consumer, the next thing seems to be the question whether the laborer is considered and whether his wages here are as large as wages of the laborer on the other side. The cement is certainly not a raw material. It does not enter into the manufacture of any other commodity. It is simply used like lime in the making of mortar and in the erection of buildings, and it does not pass to any subsequent development of an industrial character. The manufacture of cement is artificial and very nearly all labor. From figures which you will find on page 6 of this pamphlet you will find the making of a common barrel of cement, the natural cement of commerce in this country, represents nearly 87 per cent of labor, divided in accordance with the proportions mentioned there. This labor represents on an average for wages from $1.20 to $2 per day for quarrymen, $1.10 to $1.50 for laborers, $2 to $2.50 for millers, $2.50 to $3 for millwrights, $2 to $2.50 for engineers, and $1.50 to $2 for coopers. All the labor in the American works is that of men. For purposes of comparison I have taken, as you will see on page 7, that of works in Europe where both men and women are employed. The wages paid, gathered from an investigation made in the European cement works and from consular reports, shows that the wages paid in Europe are barely 50 per cent of those paid in this country.

Mr. BURROWS. Of what date is that?

Mr. LESLEY. That date was 1888, I think. I think that is the time these figures were made from. From the United States consular reports in one German Portland cement manufactory in Silesia the total pay roll in its whole works was $32.72 a day. In an American works where the same number of workmen are employed the total pay roll was $226.30 a day; a daily difference in favor of the German manufacturer and against the American manufacturer of $192.50. In England the wages are a little higher than those in Germany. From the consular report of 1890 I find that the average wages in English works were $5.82 a week. That is considerably lower than our average wages and considerably higher than the German average.

Mr. MCMILLIN. They have a higher protective duty than in England?

Mr. LESLEY. What is that?

Mr. MCMILLIN. What I speak of is, the system of wages in Germany are under a protective system and England has free trade?

Mr. LESLEY. That is very likely; I do not want to deny it, because I am not thoroughly posted whether there is a duty on this or not. I do not know whether there is or not, and I would not like to say. Now, the last fact, and it will possibly answer Mr. McMillin's question, is cement is a heavy article and weighs 400 pounds to the barrel, and

when you get a barrel of cement here in Washington about 50 per cent of the cost of that barrel is freight. For that reason in Germany the industry is closely competitive, that is the German market; the English or French cement would hardly come in.

Mr. MCMILLIN. That being so, the transportation is a heavy embargo on it, to say nothing of the import duty.

Mr. LESLEY. I will show why it is not here. It would not apply to the case of transit between England and Germany where they have got freight one way and then they take back wood or staves, but it would apply here where no ballast is as good as cement barrels, which are large barrels and which lie nicely on the bottom of the vessel, and it is actually cheaper for them to carry it back than to take sand.

Mr. GEAR. Is it not a matter of fact that to a Southern port during the shipment of cotton, cement and other articles of that kind are carried for nothing?

Mr. LESLEY. I will say we have discharged a cargo of cement where it cost 12 cents to get it out of the ship, and we only paid 9 cents freight to the ship; that is, they paid 3 cents a barrel for the ballast. That is one case.

Mr. MCMILLIN. What is the rule?

Mr. LESLEY. On steam freights about 20 cents a barrel.

Mr. GEAR. How about sail?

Mr. LESLEY. On sail vessels we had one cargo from France—which is I will say an exceptional case possibly—that came as low as 9 cents.

Mr. MCMILLIN. What is the rule there?

Mr. LESLEY. On French vessels we would run up to probably 30 cents, but there is not much French cement that comes in here.

Mr. GEAR. You do not know about these Southern shipments?

Mr. LESLEY. I know New Orleans cement rules as low as it does in New York and the transit is much greater, and on the Pacific coast——

Mr. GEAR. That is the distance?

Mr. LESLIE. Yes, sir; and on the Pacific coast the quotations are not much above New York, barely 10 cents; but I will say frankly there was an over importation, and some dealers carried more than they should.

Mr. GEAR. Is not the best quality of American cement equal to the foreign importation?

Mr. LESLIE. Here is a book that will show pretty much all of the important works in the United States. Yes, sir; there is a large work done with it. Now, bear in mind this question of ballast which Mr. McMillin asked about, the rates will run about 20 cents a barrel. The rates on the same cement to tide water in New York from the works in Pennsylvania or in New York State will exceed that, in New York being 30 cents and from Syracuse being 40 cents. That is, to bring the American article of equal grade to the port of New York costs in one case 150 per cent more and usually 100 per cent more than to import the foreign article.

Mr. MCMILLIN. The same rule would apply if you attempted to get the foreign cement out to the interior?

Mr. LESLEY. It would apply in this way: The rate from the Lehigh district to Chicago is 53 cents a barrel. The rate from Antwerp to Chicago is about 55 to 60 cents a barrel. It goes by lakes or canals, it being a heavy article. At Sioux City where a bridge was lately built the works at Yankton, Dak., could not take the contract there because the foreign cement was laid down there at a lower figure than they could get it from Sioux City, which was not over 300 or 400 miles.

Mr. HOPKINS. When was this?

Mr. LESLEY. This present season.

Mr. HOPKINS. Under the present tariff rate, of course?

Mr. LESLEY. Yes, sir. In concluding what I have said I only want to urge, if it is possible, for the committee to consider this question upon the basis of a specific duty. I should be very glad if they should do that, because I speak both for myself, as a manufacturer, and I think on behalf of all the importers who try to do business honestly, and who try to be fair and square with the Government and with their customers; for I do not think that any one of them would ask anything but a duty which would allow a man to swear fairly; not strain his conscience by swearing against his——

Mr. TURNER. Do you represent both interests?

Mr. LESLEY. I happen to be a large manufacturer and I represent about a quarter of the American product, but I am also an importer.

Mr. TURNER. Is the interest of the importer identical with that of the manufacturer?

Mr. LESLEY. I will say it is not.

Mr. TURNER. As a representative manufacturer what is your wish?

Mr. LESLEY. A specific duty.

Mr. TURNER. The present duty?

Mr. LESLEY. Yes, sir; the present duty.

Mr. TURNER. And as an importer what would be to the interest of your clients?

Mr. LESLEY. I should say that the present duty has not restricted importation and is a fair duty to the importer.

Mr. TURNER. Do you think lowering the duty on cement has tended to increase the importation.

Mr. LESLEY. No, sir; I do not say that. I think the reason imports went up in 1891 was due to the fact it looked like it was going to be a very busy year and some people brought in more than they could take.

Mr. TURNER. This you do not ascribe to the change in duty?

Mr. LESLEY. No, sir; I think the imports grow with the consumption, and the American product grew and took up a percentage of the increase. The American Portland product doubled from 1890 to 1891, increased from 250,000 barrels to 450,000 barrels.

Mr. TURNER. Is there much expense attending the making of cement?

Mr. LESLEY. Portland cement; yes, sir. It is about 95 per cent labor.

Mr. TURNER. Do you find the raw material, and is your process grinding or manipulation?

Mr. LESLEY. The raw material is found all over the country. In making Portland cement it is ground to a powder, made into bricks, and put in a kiln at a temperature from 1,800° to 2,000°, roasted to a clinker, and ground to a powder and shipped.

Mr. TURNER. Is there a large element of lime in that cement?

Mr. LESLEY. The clinker will analyze about 60 per cent of lime, about 35 per cent of argillaceous matter, some oxyde of iron, and some other matter which we do not reckon.

MR. GEAR. You stated the contractors at Sioux City could not buy the Yankton cement for the bridge there owing to the lower price for foreign cement?

Mr. LESLEY. Yes, sir.

Mr. GEAR. Do you know the distance from Yankton to Sioux City?

Mr. LESLEY. I think it is some 200 or 300 miles?

Mr. GEAR. It is 70 miles.

Mr. LESLEY. I did not know that fact. Of course the Yankton

people are at a disadvantage in buying their coke as they have to get that from a distance.

Mr. GEAR. They get their coke from Colorado.

Mr. LESLEY. I did not know that, but they are at a considerable disadvantage. I want to show one further fact, and that is the price of Portland cement has also reduced the American article. They have both come down.

Mr. BURROWS. That is, the American Portland?

Mr. LESLEY. Yes, sir; that is, while the tariff has to a certain extent prevented undervaluation it has not prevented it to the extent of barring competition.

Mr. BURROWS. Do you know anything of the extent of raw material in this country out of which Portland cement can be manufactured?

Mr. LESLEY. I think you can go in every State in the United States and make Portland cement. I know you can make it in at least twenty States because I have analyzed it and have had people come to me with schemes to go into business.

Mr. BURROWS. It is practically inexhaustible?

Mr. LESLEY. Yes, sir.

Mr. GEAR. Is the breaking strength of the American Portland cement equal to the foreign?

Mr. LESLEY. Yes, sir; this book will show you all that. I have got averages here of some twenty brands.

Mr. TURNER. In the trade which you have are you able to sell imported cement in the interior, taken by water, as cheap as you can sell the American product?

Mr. LESLEY. Yes, sir. In Chicago it is as low as we can put our cement there.

Mr. TURNER. Assuming what you say, that the raw material out of which Portland cement is made exists all over the country, why is it that these factories do not spring up wherever the raw material is, to take advantage of the difference in the freight transportation from the seaboard?

Mr. LESLEY. The fact is they do.

Mr. TURNER. How can the foreign article compete with the domestic product at such a disadvantage when you say the American product is so much better? I am speaking about the interior market, off the water.

Mr. LESLEY. For instance, a man goes to build a large building, and he goes to his architect and says, "I may have to use American Portland cement on this building," and the architect will say, "Now, Mr. Smith, you are going to put $100,000 in this building and these foundations are very important. If you use Mr. Lesley's cement you will save $100 dollars. Now, do you honestly think, when you know what this other cement is and you do not know much about the other, do you think it is right to risk $100,000 to save $100 on that building?" The other cement has an established reputation, and the American manufacturer has to meet that, and it has been only within the last two years that they have been long enough in business to meet it. You can see how this is. Suppose I come to you with a new cement and I say, "This has been on the market for only a year," and another fellow should come to you and say, "Mine has been in use for fifteen years." You would say to me, "I would like to oblige you, but I would rather know what I am doing."

Mr. STEVENS. What amount of capital is necessary to establish Portland cement works?

Mr. LESLEY. Cement works, well located, with a capacity of about 150 barrels, could be started with from $60,000 to $100,000.

Mr. STEVENS. What would be the product of that per year?

Mr. LESLEY. The product would run from 40,000 to 60,000 barrels a year, according to whether you use the wet or dry process.

Mr. DALZELL. How much American capital is invested in this business?

Mr. LESLEY. If we count the capital invested in building up a reputation, and not confine it to the establishment alone, it would be a great deal; but if you take the whole industry there is probably $10,000,000 or $12,000,000, and of Portland cement I should say probably $4,000,000 or $5,000,000 have been sunk, and probably $2,000,000 remained out of the $5,000,000. That is to say the plants to-day could be duplicated for that.

Mr. MCMILLIN. You said $2,000,000?

Mr. LESLEY. Yes, sir; the total plants in the United States would probably take $8,000,000 or $10,000,000 to duplicate it.

Mr. STEVENS. That comes from the experiments in the method of making it?

Mr. LESLEY. Yes, sir. Now, for instance in one class of work of ours, we built the work in 1885 and 1887, and we have had to tear down the whole business, a loss of $120,000 sunk in that.

Mr. STEVENS. Improving the method of manufacture?

Mr. LESLEY. Changes. You know the grinding machinery wears out. Grinding this hard clinker is like grinding a hard slab of iron almost.

Mr. STEVENS. If only the grinders wore out you did not go to that expense?

Mr. LESLEY. The trouble in this case was the engine wore out. If you run engines and machinery for ten years night and day they will wear out; you need to put in cylinders, and the machinery in general gets pretty well knocked out.

The CHAIRMAN. Then your sole contention is that it is better to retain a specific duty, the 8-cent duty than to go back to the ad valorem duty, although the actual tax is the same?

Mr. LESLEY. I think the actual tax to day would be about 30 cents. I think the duty would be on the better brands 30 cents either way.

Mr. PAYNE. That is, assuming that the ad valorem duty could be honestly collected?

Mr. LESLEY. And in saying what I do, Mr. Wilson, I want to say when all the committees of 1887 and the committees of 1890 came to a conclusion about the thing I am pretty sure they were right, and for that reason, although I know a good many of our manufacturers want a higher duty, I do not think it is fair to ask it, and I would not ask it, and as this duty has operated to the benefit of the consumer and Government I do not think it is fair to ask more.

The CHAIRMAN. You think if the old ad valorem duty had been collected honestly it was equivalent to about this specific?

Mr. LESLEY. Yes, sir.

Mr. HOPKINS. Do you think it would be poor policy to put this article on the free list, both for the Government and the consumer?

Mr. LESLEY. I would not want to say what I think. If I was trying to get a revenue and help the consumer I would not do it, but that is for this committee to do, and I submit that to their judgment.

If there is nothing further, I desire to thank you for your kind attention, and I am sorry if I have taken up too much of your time.

STATEMENT OF CEMENT INDUSTRY.

[Presented by Mr. Robert W. Lesley, of American Cement Company, Philadelphia, and representing American cement industry.]

The following five reasons are given for the retention of the present specific duty of 8 cents per 100 pounds on this article. They are as follows:

First. The present tax is a *duty for revenue*, and since its adoption the amount realized to the Government from the importation of cement has *increased*, while the cost of cement to the consumer has *decreased*.

Second. Cement is *not* a *raw material*. It is essentially the product of labor. No imported raw material enters into its production. Coal, coke, limestone, cement rock, cooperage stock, all the product of *domestic labor*, constitute, together with the labor employed in the mills and quarries, from *90 to 95 per cent* of the selling price of the manufactured article.

Third. The cement industry is *not* controlled by any *trust* or *trusts*, but is a closely competitive industry, where 300 pounds of cement, calcined argillaceous limestone, are put in a barrel and are actually sold at a rate per bushel *less* than the average rate per bushel of the ordinary lump lime of commerce *not ground* nor *barreled*.

Fourth. The present duty on cement is practically the same duty that existed originally under the Act of 1883, that was named in the Randall bill of 1887, that was fixed in the Mills bill of the same year, and that was also fixed in the Senate bill of 1887.

Fifth. Imported cement comes in practically as ballast, the rates from Europe to New York being as low as 10 to 15 cents per barrel, as against 30 to 40 cents to the same point from American works.

In support of the above reasons the following facts are given:

1. The Present Tax is a Duty for Revenue.

Prior to the passage of the McKinley act cement was dutiable at 20 per cent ad valorem under the act of 1883. The average invoice value per barrel in 1883 was $1.73, and this value was maintained until about 1886. The net duty under the act of 1883 upon the valuation mentioned was 34 cents per barrel. In 1886 the Secretary of the Treasury rendered an opinion admitting packages and cost of inland transportation free of duty. As a result of this decision the invoice value of cement fell to $1.19, so that in 1887, when the matter of the duty on cement was considered by the Mills committee, the average duty on cement was about 22 cents. This duty fell right along until 1889, when by the undervaluation of the cement and the overvaluation of the packages one invoice came into this country at a valuation as low as 60 cents, the duty being 12 cents. Under the McKinley bill the ad valorem duty was abolished and a duty of 8 cents per 100 pounds was placed upon cement. This duty upon a weight of 400 pounds, the trade weight of a barrel of Portland cement, yielded to the Government 32 cents per barrel, and this amount is the amount now collected.

At the time the McKinley bill took effect (July 1, 1890) the four leading brands of cement imported into the port of Philadelphia, as per the bills and invoices hereto appended, cost the importer as follows, laid down in Philadelphia:

Hilton (English)	$2.35
Burham (English)	2.35
Dyckerhoff (German)	2.60
Heyn (German)	2.35

Since the passage of the McKinley bill the prices of the same brands of cement, laid down in Philadelphia, have steadily fallen, so that to-day, as per the bills herewith of August, 1893, the same brands cost, laid down, duty paid, at Philadelphia, as follows:

Hilton (English)	$1.98
Burham (English)	1.97½
Dyckerhoff (German)	2.35
Heyn (German)	2.00

so that while the change from an ad valorem to a specific duty, together with the packages dutiable, nominally increased the average duty about 12 cents a barrel, the actual cost of the identically same cement, laid down at the same port, has decreased nearly 34 cents per barrel, equivalent not only to a reduction to the consumer of the *nominal increase* in the duty, but to an amount *actually more than the total amount of the duty charged.*

This decrease in the price to the consumer of foreign Portland cement has also benefited the consumer of the American Portland cement with which it competes.

The price of the leading brand of the American Portland cement was as per bills annexed in July, 1890, $2.11, delivered at the port of Philadelphia, and in August, 1893, $1.96, delivered at the port of Philadelphia.

These same figures apply practically to the same cements delivered at the ports of Baltimore, Boston, and New York.

While there has been this reduction in the price of the imported article, there has been actually an increase in the importations since the passage of the McKinley bill, as follows:

The result of the first years shows imports: 1890, 1,940,186 barrels prior to the McKinley bill; 1891, 3,988,313 barrels since McKinley bill.

The yield to the Government in 1890 upon the value of the importations, viz, $2,249,741, was $449,928.20, while the yield to the Government at the increased duty upon the increased importation was $1,276,259.16, so that in the years mentioned it is shown that the increase of the duty did not diminish the amount of the importations, and the actual gain to the Government was $826,330.96.

The prices of the several brands of cement in the years 1891 and 1892, laid down at the port of Philadelphia, were as follows:

	1891.	1892.
Hilton (English)	$2.32	$2.00
Burham (English)	2.30	1.97½
Dyckerhoff (German)	2.65	2.45
Heyn (German)	2.37½	2.10
American	2.01	2.01

From these facts it can be seen that the present tax is *essentially a duty for revenue*, inasmuch as it has (*a*) *decreased the duty to the consumer*, and (*b*) *increased the revenue to the Government.*

2.—Cement is not a Raw Material, nor is its Manufacture a Local Industry.

THE CEMENT INDUSTRY.

The manufacture of cement is *not* a local industry. It is national. Works exist in Maine, Connecticut, New York, Arkansas, Utah, Pennsylvania, Ohio, Maryland, Virginia, Washington, Oregon, Alabamba, Colorado, Texas, California, Illinois, Wisconsin, Kansas, West Virginia, Kentucky, Indiana, Michigan, and South Dakota. It stands seventh on the list of nonmetallic mineral products of the United States. It ranks just below lime and salt. It employs a capital of $10,000,000, has an output of over 8,000,000 barrels per annum, and gives work to about 20,000 laborers. The largest works are in New York State, where nearly 3,000,000 barrels are made and 8,000 men employed; in Kentucky, where nearly 1,000,000 barrels are made and 1,500 men employed; and in Pennsylvania, where nearly 1,000,000 barrels are made and 1,500 men are employed.

MANUFACTURE AND CLASSIFICATION OF CEMENT.

"Roman" cement is a natural rock, quarried, burned in kilns, and ground.

"Portland" cement is an artificial cement made by mixing chalk and clay, or limestone and clay, in varying proportion, grinding this to powder, making a brick or ball out of this moistened powder, and after calcining, at high heat this artificially made new stone, by grinding the resultant clinkers to powder.

The "Roman" corresponds substantially to the Rosendale, Louisville, and the majority of American natural cements.

The "Portland" corresponds to the American "Portland." It has been claimed that this grade of cement could not be made in this country for want of material. After twenty years of experimenting, and after a loss running into millions, this statement has been controverted, and for twelve years past American "Portland" cements, "of a quality equal to any imported," and made in Pennsylvania, in Ohio, in New York, in Indiana, in Texas, and in South Dakota, have been used on Government work (*vide* Reports Engineer Commissioner District of Columbia for 1883, 1884, 1885) and other public work with entire success and in competition with foreign cements. The Eads jetties are built with American Portland cement (*vide* Capt. Eads' Report on Mississippi Jetties), and the London and Southwestern Railroad of England actually, after a test, bought American Portland for one of its bridges. (Engineering News, vol. 1887.)

In addition to this the United States Government, Pennsylvania Railroad, and New York Central Railroad all allow the use of American Portland cement on their work. The principal engineering work in the United States, such as the New York Aqueduct, the celebrated Johnstown Bridge, the Scranton dams, the Tunnel under Niagara Falls, are all built with American Portland cement, thus clearly demonstrating its quality to be equal to that of the imported Portland cement. Therefore, having shown that the manufacture of cement is an important one in the United States, and *not a local industry*, and having shown further that the American article *is slightly cheaper and is actually equal to the imported cement*, it is next in order to show that cement does not fall among those articles called "*raw material*," and is actually almost entirely *the product of domestic labor*.

The first element, as above stated, to the manufacture of either natural or Portland cement is the base, viz, cement rock, chalk, and clay, or limestone and clay. This base is produced by mining or quarrying by American labor the ingredients mentioned. The next step in the process is the calcining of this material, which is done with coke or coal also the product of American labor. This is followed by the grinding of the calcined product by millstones and crushers operated by American labor and driven by engines whose steam is produced by coal mined by American labor. The manufactured product is put into barrels, the cooperage stock which has been prepared by American labor, while the packing is also done by the labor of this country. The manufactured article is loaded on to cars by American labor and is carried to market by our inland lines of transportation.

By a careful examination into the cost of a barrel of cement it is shown that in the production of a barrel of natural cement the following figures are very nearly correct, while in the production of a barrel of American Portland cement, which more directly competes with the foreign product, the actual cost of labor runs up to over 90 per cent.

In the United States.

	Per cent.
Quarrying represents	40
Burning represents	6
Grinding represents	6
Moving, etc., represents	5
Packing represents	3
Coal and coke, staves and heading, all the product of labor, represent	27
Making of labor	87

This labor represents, on an average, for—

	Per day.
Quarrymen	$1.20 to $2.00
Laborers	1.10 to 1.50
Millers	2.00 to 2.50
Millwrights	2.50 to 3.00
Engineers	2.00 to 2.50
Coopers	1.50 to 2.00

All the *labor is that of men*.

In Europe.

Both men and *women* are employed in cement works.

The wages paid, as gathered from investigation made in European cement works, and from consular reports, are as follows (per day):

	France.	Germany.	Belgium.	England.
Miners	$0.87	$0.52	$0.60	$0.52
Millers	.48 to .87	.65	.88½	1.00
Women millers	.29 to .39			
Millwrights	1.12½	.70	.83½	1.16
Laborers	.76	.60	.66	.78
Women laborers	.38½	.24	.57	
Engineers	.97	.73	1.03	1.10
Coopers	.93	.66	.86	1.13

AMERICAN MALE VERSUS GERMAN FEMALE LABOR.

From United States Consular Reports, Executive Documents, Forty-eighth Congress, p. 464, one German Portland cement manufactory in Silesia employed in 1884, according to its pay roll, in its whole works: 3 workmen, at 36 cents per day; 66

workmen, at 24 cents per day; 70 men and women, at 24 cents per day; *a total daily pay roll of* $33.72.

An American works of same number of hands employs, according to its books: 2 engineers, at $2; 4 millers, at $2.50; 2 millwrights, at $3; 30 coopers, at $1.75; 51 laborers, at $1.30; 50 quarrymen, at $1.75; *a total daily pay roll of* $226.30. A daily difference in favor of German manufacturer and against American manufacturer of $192.50.

Cement enters into no other industry, but is simply like lime, a building material for the mortar used in building, and is in *no* sense a *raw material* for any other industry.

From the facts and figures above given it is claimed that the present duty should be maintained, cement *not* falling under the head of *raw materials*, and being, moreover, *almost entirely* the *product of domestic labor.*

3. The Cement Industry is not Controlled by any Trust or Trusts.

In these days of commercial combinations and trusts for the monopolization of various industries, it can be said to the credit of the cement manufacturers of the United States that they have entered into no combination or trust of any kind for the control of production or the enhancement of prices. There are to-day in the United States, according to the census of 1890, some 17 works producing Portland cement and 67 works producing natural hydraulic cement, a total of 84 works, and yet among them all there *exists no combination or trust* for the control of the product, but manufacturers go on producing their material, and with the exception of one single western district, where one company controls several smaller corporations, sell their product free of trusts or other monopolistic tendencies.

4. Legislation as to the Duty on Cement.

As above stated, the present duty on cement is practically the same that existed originally under the act of 1883, before the action of the Secretary of the Treasury made the barrels and inland transportation nondutiable. When the question of duty on cement came up in 1887, the Mills Committee, in their bill presented to the House, reimposed the duty on barrels and inland transportation, and left the rate of duty at 20 per cent, thus making at the then existing invoice price, a duty of about 32 cents per barrel. At the same session of Congress, in the tariff bill introduced by Congressman Randall, the duty and reimposition of the duty on barrels and inland transportation as adopted by the Mills Committee was also followed, while the Senate bill of the same year contained a similar enactment. Thus all the legislation, as to the duty on cement at the session of 1887, tended to fix the duty at a rate which is equivalent to the present duty. At the session of 1889, when the McKinley bill was in course of preparation, the writer appeared before both the McKinley and Senate committees as the representative of the American cement manufacturers. In the face of a strong opposition of cement manufacturers not represented by him, he, on the ground of fairness and equity, asked that no higher duty should be levied upon cement than that named by the Mills Committee and the other committees of the session of 1887, believing that where three different bodies representing different views of the duty upon a given subject should come to a similar given conclusion, that this conclusion must be so near right that it would not be fair to ask any change. This suggestion was adopted by the McKinley and the Senate committees with the modification of making the duty specific instead of ad valorem, and this duty is the rate now in force, and, as shown above, has resulted in decreasing the cost of cement to the consumer, and increasing the revenues of the Government to the extent of $800,000 in a single year after its adoption.

5. Imported Cement comes in Practically as Ballast.

An additional reason for the maintenance of the present rate of duty is the fact that Portland cement in barrels forms one of the most convenient articles of ballast for the loading of ships, and for this reason is carried at very low rates of frieght.

During the present season sailing vessels have brought cement from French and English ports to New York as low as 10 cents per barrel of 400 pounds, while to Philadelphia steamer rates as low as 20 cents per barrel has been made. Owing to the fact that the raw material in this country is at a distance from the seaboard, and the principal places of consumption are at the seaboard, the American manufacturer is at a great disadvantage. The rates from the Syracuse (N. Y.) district to New York City are 40 cents per barrel, while the rates from the Lehigh (Pa.) district to New York City are 30 cents per barrel. To Philadelphia from the same districts the rates are respectively 52 and 26 cents per barrel. To Chicago through rates are

made by steamer, canal, and lake direct from English and German ports at rates from 15 to 20 cents per barrel less than the rates from Lehigh County to the same city.

Under this state of facts it can be seen that were the duty taken off or reduced upon the imported article the American manufacturer would be practically driven out of business.

STATISTICS OF MANUFACTURE FROM THE MINERAL RESOURCES OF THE UNITED STATES GEOLOGICAL SURVEY, 1885–1891.

The following figures are given of the total production of all kinds of cement:

Total production of all kinds of cement in the United States from 1882 to 1891.

Years.	Barrels.	Value.	Per barrel.	Years.	Barrels.	Value.	Per barrel.
1882.....	3,250,000	$3,672,750	$1.13	1887.....	6,942,744	$5,674,400	$0.81
1883.....	4,190,000	4,293,500	1.02	1888.....	6,503,095	5,021,139	.77
1884.....	4,000,000	3,720,000	.93	1889.....	6,781,876	5,000,000	Estimated.
1885.....	4,150,000	3,492,500	.84	1890.....	7,308,734	5,582,243	.82
1886.....	4,500,000	3,990,000	.88	1891.....	7,607,067	5,512,153	.82

The increase in 1890 and 1891 is due to the large increase in the higher-priced Portland cement, the production of which nearly doubled.

IMPORTATIONS OF CEMENT.

From reports of Bureau of Statistics the following are the imports of cement of all kinds into the United States for the past ten years.

Imports of cement.

Years.*	Barrels of 400 pounds.	Value.	Years.*	Barrels of 400 pounds.	Value.
1878.....	†92,000	$204,422	1885.....	578,141	$908,581
1879.....	†106,000	205,074	1886.....	915,255	962,689
1880.....	†187,000	373,601	1887.....	1,514,095	1,470,846
1881.....	†221,000	440,025	1888.....	1,835,504	1,731,456
1882.....	337,793	675,587	1889.....	1,740,356	1,704,253
1883.....	472,864	817,346	1890.....	1,940,186	2,249,741
1884.....	582,623	829,098	1891.....	3,988,313	4,411,330

* A calendar year ending December 31 from 1886, previous year ending June 30.
† Estimate of Geological Survey.

From the figures above it can be seen—

(1) That the importations have been increased and not diminished by the change in duty from ad valorem to specific.

(2) That the American manufacture has also largely increased, while the price of the article has decreased to the consumer.

(3) That the undervaluation under the old law, whereby the valuation was shifted from the *dutiable* cement to the *nondutiable* barrel, has been put an end to, and the dutiable cement is valued at its true price.

In conclusion, it is respectfully urged that a specific duty be imposed on "Cement—Portland, Roman, slag, or all other—of 8 cents per 100 pounds in barrels, and 7 cents per 100 pounds in bags, bulk, or clinker;" and that in this way the undervaluation and other evasions of the custom laws may be arrested.

This is urged for the reasons above given, as well as for the further reason that a specific duty operates to the benefit of the American producer in times of general depression, while an ad valorem duty enables the foreign producer in times of financial disturbance to flood our markets with low-priced goods, which, for that very reason, come in at the lowest rate of duty, and thus tend to unsettle the American market and reduce the wages of American labor.

CEMENT.

(Paragraph 95.)

THURSDAY, *September 14, 1893.*

STATEMENT OF MR. M. ALBERT SCULL, OF NEW YORK CITY.

MR. CHAIRMAN AND MEMBERS OF THE WAYS AND MEANS COMMITTEE: Before going into any definite figures I would like to ask you to bear with me for a few minutes, in order that I may explain something of the process of manufacture. I have some samples here and some pictures which will probably be of interest and help me in my further presentation of the subject.

I have here in my hand a sample of the rock that we get from our quarries, the actual stone, which is of a slaty formation, generally containing about 75 per cent lime. After we have taken that from the quarry we take it to our mill and grind it, say, about 90 per cent fine, and pass it through a 50-mesh sieve, and it is then formed in the size of about a red building brick. Then we take it to the pug mill, and by adding a certain percentage of water, using the wet process, so called, and a little cement so it might be adhesive, we form it into bricks and put it in the kiln to dry. It takes about twenty-four hours to dry, and by some processes it takes a day and a half. It is put in the kiln and burned for four days. After burning we get it from the kiln in the condition in lumps as large as your head, and much larger sometimes. After we have burned it we take it to our mill again and we grind it. We grind it as fine as any flour. Then we barrel it, and sometimes we ship it in bags and sometimes in cotton sacks. The consumer takes it and adds about 25 per cent of water and as much sand as he thinks is safe, and it produces that result [holding up sample]. It becomes as hard as any limestone or any building stone and is impervious to water. No water can pass through it, and heat and cold do not affect it. You see it on sidewalks and in various places in the building industries. That is the Portland process of manufacture. Some call it an artificial cement. The cement as imported from Europe is artificial. They use clay and other matters to produce the stuff, which God has given us here in this natural stone. They get a good deal of that stuff from the bed of the Thames River. Now, this is a sample [exhibiting same] of what we call American hydraulic cement, made in Ulster County, N. Y. I should have stated, this first was made in Lehigh County, Pa. This rock here is very hard to quarry. We go into the bowels of the earth sometimes 1,000 to 1,500 feet deep, starting above a mountain. Sometimes these mountains are probably 1,200 feet high and sometimes 400 or 500 feet high. We have to leave immense supports, and, as you will see here, these pillars are 12 to 14 feet in diameter, because we have a very heavy body of material above which we have to thoroughly protect; consequently this rock is very expensive to manufacture. The Portland cement rock—we go on the side of the hill, turn over the soil, and we find the rock. It is quite contrary with this. We have to go down in the earth for it, use power to hoist it, and use air to run the drills, for if we used steam it would become very dark and unhealthy and the men could not work there.

Mr. DALZELL. Are these two different kinds of rock found only in Pennsylvania and New York?

Mr. SCULL. This rock [referring to same] is only found in Pennsylvania.

Mr. PAYNE. There is other Portland cement rock found in New York State?

Mr. SCULL. They use marl there; that is, in Onondaga County. Then we take this rock and put it into our kilns; when we fill the kiln we put in a layer of stone and then a layer of coal. These kilns are perpetually burning. They are started generally about the first of March and are not allowed to go out until about the middle of December or the first of January. We do not run in the cold weather, because they can not be used and there is great danger attending it. After it is passed through the kiln—here is a picture showing the men removing it from the kiln. It takes about three days from the time it is put in the kiln until it is thoroughly burned and cooled so as to draw out. After it has been withdrawn from the kiln we take it to our mill and crush it. The crushers do not appear here. The engineers of the country demand that this cement shall be made at least 90 per cent fine and passed through a 50-mesh sieve. It is difficult to grind because of its flinty nature. When we grind this there are some small particles upon which fire does not have any effect, except to harden it still harder. After we have ground it we pass it down by elevators and conveyors to the packing department. Those are little round plates where the barrel sits in, and these plates have a lipping motion by which the cement is passed through these little pipes, so that when the barrel is filled there is 300 pounds of cement. The men become so accustomed to regulating the speed that, although they weigh every barrel so as to be sure the consumer gets the proper amount, it is hardly necessary, because these men can really, by watching, tell almost to a pound how much cement is in a barrel. After it is barreled the men take the hoops and heads and head it up, and then it is in a condition to be rolled to the railway. This factory shows the cars loaded ready to go. Probably some of these cars are to go to Beaver Dam, Ohio River, where Col. Stickney is building a large dam, and expects it to take 50,000 barrels of cement. We supply the United States Government; we have supplied 70,000 barrels in the last two years to Col. Gillespie for the fortifications at Sandy Hook. The colonel paid us the compliment of stating after we got through that it was the cleanest and the most complete contract that he had ever had made with any company, and not one barrel was found fault with. Every one was thoroughly satisfied. Those are the engines [exhibiting photograph] which drive the mill where we make our railroad shipments. It is a tandem compound Corliss engine, four engines working on a common center. They are so constructed that the engine on one side can be run independent of the other. At the present time the engine on the right has broken her cylinder and it is now at Mount Vernon, Ohio, being repaired, and we are running our mill with one engine. Our idea in putting the engine in was that in case of accident to one engine we could still run the works and keep the men employed. This wheel is 26 feet in diameter, 4¼ feet across, and two large belts running 30 odd feet in length between centers. The maximum capacity of that engine is 4,000 barrels a day; we are now running about 2,000 barrels. Here is a picture of one of our mills on the creek. A boat has come there to take the cement up the Erie Canal. The boat comes to our dock and up here is where we take the cement and it rolls itself by a grade to the boat which saves us the handling. This picture represents the manufacture of the barrel. Probably I had better show you what the stock is [exhibiting another picture]. This is

the cooperage stock which we bring from Maine. Our company consumes about 500,000 bundles of these staves every year. It takes 1,000 men to produce the cooperage stock from Maine to supply the Rosendale industry alone. We have to buy and carry a year's supply of these staves on account of the necessity of having them thoroughly seasoned. This stock represents about 400,000 barrels. So you see it takes a good deal of money to carry on the industry in that particular alone. After these staves are sufficiently seasoned they are taken to our cooper shops and then run through a heater. We do that because we have to have the barrels thoroughly dried. If there is any moisture the cement being so hot will shrink the barrel and the heads will fall out and consequently we have to allow a good many damages to our customers, so we are very particular to see that the staves are seasoned and the barrels dried. After they are thoroughly dried and prepared by machinery they are turned over again to the cooper for finishing. They put flat hoops on, using an elm material which comes from the West, then they put the heads in, and they are placed on one side until used. We have five mills in Ulster County, a Portland cement mill in Pennsylvania, and a mill at Cumberland, Md. We produce from a million and a quarter to a million and a half barrels every year. We are said to be the largest manufacturers in the United States, if not in the world. This shows our mills [exhibiting photograph] where we make our railroad shipments. There is what is called Binnewater, an Indian name for a pleasant body of water.

As I stated, the capacity of this mill is about 4,000 barrels a day. Here is a little mill which we have on the water again, which has a capacity of about 600 barrels a day. The day of the 600-barrel mill has gone by. This is a mill we keep in thorough repair, but do not now run. We use it as an auxiliary mill. We have had two fires inside of three years, and this mill came in handy when we had one of our mills consumed. It is necessary now, in order to have an industry at all paying, to make from 1,000 to 2,000 barrels per day. When I first went into the business twenty-seven years ago, the secretary then, who was selling about a week ahead with 3,000 barrels well ordered, could put his feet up on the desk and feel comfortable, and the profit of the business permitted it. Now, we have to make at least 2,000 barrels a day at our mill to be really on a paying basis. This is is one of our mills [exhibiting photograph] where we make most of our water shipments. The product of that mill is 2,000 barrels per day. This is one situated on the Delaware and Hudson Canal, two mills of about 2,800 barrels; one makes 1,300 and the other makes 1,500 barrels.

I have laid before the members of the Ways and Means Committee a little folder in regard to cement. The cement industry has become an established one in this country and it takes its place alongside of the iron and the building material business. If you have ever noticed in New York City now the first thing they do in erecting a large building where so much cement is consumed, they run the skeleton iron up first and then they fill in with bricks, stone, and other things, and what bolts are to the iron works cement is to the stonework. The superiority of the Rosendale cement as well as the American Portland, which by the way is a new industry in this country—well, Portland cement has been made in Pennsylvania probaly for twenty years in a small way, but in the last five or six years in a very much larger way. The industry is being now carried on and the growth of American cement and Portland cement is growing, and I think the

time will come, if they have no drawback, when America will produce all the Portland cement required in this country. For a long while the American manufacturers had to contend against a prejudice that there was no cement like the imported, but the advent of the testing machine enabled us to show its qualities and we are able to demonstrate clearly to the consumer that American cement is equal to any foreign. Still we have that prejudice to contend against. The younger element, students in colleges particularly, are studying very thoroughly the cost of American cement. There is hardly a month goes by that we do not have some professor in a college write us for samples of our cement, stating that the young students were making a series of experiments. We always encouraged it, and we are always very careful to send them what we can produce every day. We want them to know what it is, because we believe when they are educated and go out into the markets they are the ones in the future who will recommend the goods that are American because they will thoroughly understand them. The old engineers, the old architects, still adhere largely to foreign cement, but I think the day is dawning for us when the American cement will be more thoroughly understood.

Mr. TURNER. Has it been determined scientifically as to what is the chemical process under which this material hardens in water?

Mr. SCULL. Yes, sir.

Mr. TURNER. What is the chemical change which takes place which makes it hard, if it does not detain you too long? I know that is aside from your purpose.

Mr. SCULL. I can explain it in a moment. Our idea in burning cement is to drive off the carbonic acid gas. If we add water to it, just about 25 per cent, to this powder, it absorbs again that same gas from the water.

Mr. TURNER. Do you mean when you put it in the water?

Mr. SCULL. It has got to get that gas before it will harden again. That which we drive out nature demands again, and as we know nature abhors a vacuum it will get that; it is bound to have it.

Mr. TURNER. It will, then, harden in the water, but not otherwise?

Mr. SCULL. It will harden out of the water.

Mr. TURNER. I meant to ask why it hardens in the water; does it get the oxygen from the water?

Mr. SCULL. Yes, sir.

Mr. TURNER. What percentage of lime is there in that?

Mr. SCULL. In Portland cement there is about 66 to 70 per cent, sometimes a little higher, but we do not like to see over sixty odd per cent. In the Rosendale, I speak now particular of our brand, the Hoffman, there is about 48 per cent. That is the lowest Rosendale cement in lime, consequently it is much more desired in the market, because it is slower setting. There are about 4 barrels of Hoffman used to any other Rosendale. We make of that 800,000 barrels in two hundred days.

Mr. TURNER. You are aware there has been a great difference of opinion between the scientists as to what is the immediate cause of this hardening in the water, but I will not detain you in regard to that.

Mr. SCULL. There are 64 mills manufacturing what we call American hydraulic cement. The first American cement discovered in Ulster County was in 1832, when they constructed the Delaware and Hudson Canal. After they got through using cement for the canal the Lawrence family, from Flushing, Long Island, became interested in the manufacture of cement, and eventually the Lawrence Cement Company

was formed, so they are the original maufacturers of American hydraulic cement. While there were some factories in the West probably a little later, we are probably the oldest, and we still retain the original quarry where the original stone was taken from to construct the Delaware and Hudson Canal. There are 18 mills manufacturing American Portland cement. This industry of the Portland cement is one that is going to grow. When we first manufactured Portland cement there was a great deal for them to learn, but by careful study in the last five, ten, or fifteen years they have perfected it, and now the question is to get the money interested in that industry. There is an inexhaustible supply of this rock, and the beauty of it is it is natural. We do not have to have clay and chalk and other chemicals, but find what God has given us, and we find it right in the rock itself. There is one advantage in American Portland cement; it has never lost any of its strength. I made a series of tests, running up to two and a half years, and the first six months I was very much pleased with the way the cement worked. The foreign showed great results. In a year 50 per cent of the foreign cement commences to show a loss; in eighteen months there was none of that but what showed a loss of tensile strength at the end of eighteen months than it did at the end of a year, and in two years there was quite a marked falling off. I have started a series of tests running up to fifteen years, breaking them every year. At the end of that time I hope to demonstrate when it is that Portland cement ceases to get hard, and when it is that Rosendales and American Portland reaches its ultimate strength. I tried it up to five years, but it did not demonstrate. But now I have started for a period of fifteen years, and I hope by that time, if I live so long, to see the results. Cement is purely a product of labor. The raw material in the hill is of no use unless we put the hand of labor to it. We buy lands and we have to pay pretty high for it, too. The farmers in our section have realized their value, and they have put high values on it. For instance, there was about fitfy acres a year or so ago, and they got over fifty odd thousand dollars for it. I have seen it stated in Europe they buy their land, and in America they get them for nothing. We have not found it out. As I was saying, cement is purely a product of labor; 87 per cent of the cost of cement is labor, and everything that goes into the manufacture of cement, coal, coke, staves, is also, like ourselves, a product of nature. We pay in Ulster County for the poorest kind of labor $1.50. Our labor from that will run up to our foremen as high as $5 a day. We do not desire to have poor talent or inexperienced men in Ulster County. When we stop to consider we have to go in the earth sometimes 1,000 feet, or start at the base of a mountain and travel under that mountain itself from 300 to 500 or 1,000 feet, we have got to have men who understand leaving sufficient strength under that mountain, or else you can readily see what the disastrous result will be. We have to contend with the labor of Europe. Thanks to the Democratic as well as the Republican party, they have always protected the cement industry. Four committees in addition to this one have set upon this question, and they have always agreed that cement was not an over-protected industry. The miners in Ulster County receive $1.50 to $2.50 and $3 a day. The foremen sometimes receive as high as $5. In Europe, the miners in France receive 87 cents a day, Germany 52 cents, Belgium 60 cents, and England 52 cents. Laborers in Ulster County receive about $1.50 a day. In France they receive about 87 cents, in

Germany 65 cents, in Belgium 82½ cents, and in England $1. The millers have to be men thoroughly skilled in preparing the stone to grind or they would very soon ruin all our mills and engines and would enhance the cost of cement so high that there would be no profit to us. The secret of success in the cement business is in our quarries and the burning in the kiln and grinding in the mills. At these three points we have to have the very best labor that we can find. Millers receive in Ulster County $2 to $2.50 in those mills producing along about 800 to 1,000 barrels. Mills where we produce 2,000 we feel, as their care is a great deal more, they should be larger recompensed, because we feel that if we make an object for our men to work faithfully and do what is right with us we will get better results from them, so we pay them a little more, probably 50 cents to $1 more a day, where they manufacture in the larger amounts. Of course they have their assistants under them. In Europe the millers receive, in France 48 cents to 87, in Germany 65, in Belgium 88½ cents, and in England $1. The millwrights receive from us $2.50 to $3 a day; in France they receive $1.12½, in Germany 70 cents, in Belgium 83½ cents, and $1.16 in England. The engineers in Ulster County receive from $2 to $2.50. We pursue the same policy with our engineers as with our millers. We pay them more in our larger mills. We pay them generally $3.50 to $4 in our larger mills and in our smaller mills they get about $2.50. In Europe, the engineers in France get 97 cents, in Germany 73 cents, in Belgium $1.03, and in England $1.10. Our coopers make about $3 a day. We pay them 2¼ cents for every barrel they prepare for the market. They prepare from 130 to 150 barrels. They get to work in the morning about 8 o'clock and they quit about 4. They are probably the best paid men we have for the amount of hours they work. For coopers in France they pay them 93 cents, in Germany 66 cents, in Belgium 86 cents, and in England $1.13. These are statistics which I have taken from the statistics prepared by the House Committee on Ways and Means, July 1, 1888. Consul-General New, in April, 1891, verifies these figures. These figures were of 1884, and we felt we would like to know a little more recently how wages were in Europe at this time, and we find that Consul-General New writes:

> Employment in the cement manufactories is generally by gangs, *i. e.*, the men are paid in accordance with the amount of the product, and not per diem. The average wages will probably not exceed 24 shillings ($5.82) a week, and in many cases will fall below this.

The poorest laborer we have makes $9 a week, and they run from that up to $21 a week.

The CHAIRMAN. You will pardon me for stating you are running into another hearing. If you have that in your pamphlet could you give it to the reporter?

Mr. SCULL. If you will allow me I will read these statistics and then I will do so. I would like to state in reference to the McKinley bill. This bill went into effect October 6, 1890. From October 1, 1890, to June 30, 1891—these are statistics furnished by the Treasury Department—there was imported 2,066,390 barrels. In 1892, 2,576,628 barrels; in 1893, 2,812,358 barrels. In 1893 there was more cement imported into this country, making a total importation since the McKinley bill was passed of 7,475,376. The price before the McKinley bill went into effect was $2.70. Immediately upon the passage of that bill the price of foreign cement dropped to the consumer to $2 40. These are market quotations, which we always very carefully keep. In 1892 the average price was $2.25; in 1893 the average prices was $2.20.

Up to June 30, 1891, the consumer saved by the falling in price $619,917. The Government received in excess duty $268,630. In 1892 the average price was $2.25, and the consumers saved $1,168,482, and the Government received in excess revenue $337,561. In 1893 the average price was $2.20, and the consumers saved $1,406,179, and the Government received in excess duties $365,606, making a total saving since October 6, 1891, to the consumer of $3,194,578, and an increased revenue to the Government of $971,797, or $1,000,000 in round figures. In other words, the saving under the McKinley bill has been about $4,000,000, two-thirds of that to the consumer and one-third to the Government.

The CHAIRMAN. Does the McKinley bill increase the tariff on foreign cement?

Mr. SCULL. No, sir; in one sense they did not.

The CHAIRMAN. How could there be a saving by the bill, then?

Mr. SCULL. On account of changing from the ad valorem to the specific duty. The price of cement, as invoiced by the importer previous to the McKinley bill, was as low as 96 cents, and it immediately jumped up to $1.50.

Mr. PAYNE. That is, the imported valuation jumped?

The CHAIRMAN. At what price can English and German cement be put down in New York now?

Mr. SCULL. I saw a letter the other day, written by a foreign concern, offering cement delivered here in New York City for $1.60 a barrel.

Mr. BRECKINRIDGE. Does that include the duty?

Mr. SCULL. Yes, sir; everything paid dolivered to the importer.

The CHAIRMAN. At what price can you put your cement in New York City?

Mr. SCULL. My freight from Siegfried Bridge is 30 cents a barrel on Portland cement. We can not sell Portland at less than $1.50 a barrel at the works.

Mr. PAYNE. That would be $1.80 delivered in New York?

Mr. SCULL. Yes, sir.

Mr. TARSNEY. Are there any uses for cement to which yours can not be adapted?

Mr. SCULL. Wherever cement can be used ours can.

Mr. TARSNEY. For any purpose?

Mr. SCULL. Yes, sir.

Mr. TARSNEY. Is American Portland cement used in the construction of engine beds, conduits for cable railways, and such works as that.

Mr. SCULL. Yes, sir.

Mr. TARSNEY. What cable road in the United States has constructed with American Portland cement their conduits?

Mr. SCULL. I do not know I can call to mind any work of that kind constructed with American Portland.

Mr. TARSNEY. They manufacture a Portland cement in Louisville, Ky.?

Mr. SCULL. No, sir.

Mr. TARSNEY. Milwaukee?

Mr. SCULL. No, sir; they do not make Portland.

Mr. TARSNEY. Do they manufacture any cement adapted to these purposes?

Mr. SCULL. They can manufacture American cement there which can be used in any building.

Mr. TARSNEY. For all purposes?

Mr. SCULL. Yes, sir; they can use the cement for such purposes as I have named.

Mr. TARSNEY. Then, why does the contractor for the cable railroad near Louisville pay three times the price in order to get German cement for that purpose?

Mr. SCULL. Because he is prejudiced against the American.

Mr. TARSNEY. It is a matter of prejudice to pay out hundreds of thousands of dollars?

Mr. SCULL. Yes; it is prejudice. The East River bridge is built with American cement.

Mr. TARSNEY. But that is not subject to any vibration of its foundations?

Mr. SCULL. I should say so, when the railroad track and heavy trains pass over it.

Mr. TARSNEY. An engine working does have influence upon the foundations?

Mr. SCULL. Probably. I would like to state in answer to your question, when we had our fire at Binnewater Mills we had occasion to put a foundation of an engine in there previously of a 1,000-horse power and we wanted to put in 2,000-horse power. This foundation was made by our cement and small particles of stone, a kind of concrete about that size. We put men to work there with picks and crowbars, and they could not disturb any of that work, and they had to get steam drills and blast it apart.

Mr. TARSNEY. The controversy between you and myself is not whether your cement is adapted to foundations, such as a bridge or a house or something of that kind, but the question is, whether there was any purpose for which cement is used in this country to which American cement has not yet been adapted?

Mr. SCULL. There is no work done by foreign cement that can not be done by American.

Mr. TARSNEY. Is work done in America, a large quantity, to which it has not yet been adapted?

Mr. SCULL. I would not like to say it is not adapted.

Mr. TARSNEY. Right here, almost the center of cement industry, has any been used in this railroad construction here?

Mr. SCULL. How is that, Mr. Ackerman?

Mr. ACKERMAN. Yes, sir; in the Washington and Georgetown.

Mr. TARSNEY. In the conduits of the road?

Mr. ACKERMAN. Mr. McGill, 914 G street, can give you the information you want.

Mr. TURNER. You make cement out of the original rock without any manipulation at all other than the mechanical operation you described?

Mr. SCULL. That is it.

Mr. TURNER. On the other side, the cement is made by manipulation?

Mr. SCULL. Yes, sir.

Mr. TURNER. Have not you an advantage, then, over the foreign manufacturer?

Mr. SCULL. Why should we? We can not turn over the soil and dig clay like we would sand; we have to blast.

Mr. TURNER. You have no manipulation, but your blasting is more expensive?

Mr. SCULL. Then we have to bring the materials together. Their works are located right in easy reach of the raw material they use.

Mr. TURNER. Then you have shown with great success, I think, the superiority of your cement. Can you enter the market with the

foreigner on his own ground and beat him with his product—can you export?

Mr. SCULL. Providing we have the labor as cheap, we could.

Mr. TURNER. You do not export at all?

Mr. SCULL. Yes, sir; since the passage of the McKinley bill we virtually controlled the Cuban market.

Mr. TURNER. Anywhere else; do you ship to any other point?

Mr. SCULL. South American points.

Mr. TURNER. Does it go across the Atlantic?

Mr. SCULL. No; we can not supply coal to Newcastle.

Mr. TURNER. But in Cuba and South America you compete successfully with the foreign cement?

Mr. SCULL. I understand since the reciprocity treaty with Cuba the foreign cements from Europe are not now coming in.

Mr. TURNER. On account of the discrimination in duties?

Mr. SCULL. Yes, sir.

Mr. GEAR. What is the freight from Liverpool to New York?

Mr. SCULL. I suppose to-day about 20 cents a barrel.

Mr. GEAR. What is it from German ports?

Mr. SCULL. About the same, I should think.

Mr. GEAR. What is the output of American cement of all kinds?

Mr. SCULL. I should say there was in the neighborhood of nearly 8,000,000 barrels.

Mr. BRECKINRIDGE. Have you as low freight rates to Cuba as the foreign cement steamers?

Mr. SCULL. We sell our goods on board the steamer in New York.

Mr. BRECKINRIDGE. But are freight rates as low from here to Cuba as from England to Cuba?

Mr. SCULL. Well, I do not attend to any of the shipping part, so I could not answer that question. We sell here on board of the vessel in New York.

Mr. TURNER. Do you sell the same to a foreign purchaser as an American purchaser?

Mr. SCULL. Oh, yes.

Mr. TURNER. You make no difference?

Mr. SCULL. There is not a sufficient margin to do this.

Mr. PAYNE. You have only had this exportation since the reciprocity treaty under the McKinley bill?

Mr. SCULL. Yes, sir.

Mr. PAYNE. And only to countries where reciprocity treaties exist?

Mr. SCULL. That is it, sir. I would like to state to the committee the Rosendale cement industry is not a very profitable one since the panic of 1873, and the Lawrence Cement Company has not, I will state frankly, averaged over 5 per cent on its investment.

Mr. PAYNE. Is this Louisville cement the same as the Portland and Rosendale?

Mr. SCULL. It is not a Rosendale. Rosendale gets its name from the township of Rosendale.

Mr. PAYNE. I know that, but it is applied to that class of cement?

Mr. SCULL. Yes, sir; the Louisville is somewhat similar to it.

Mr. PAYNE. It is not Portland cement?

Mr. SCULL. Oh, no.

Mr. PAYNE. The Wisconsin cement spoken of by Mr. Tarsney is not a Portland cement?

Mr. SCULL. No, sir.

Mr. PAYNE. You do not know of a canal or railroad that uses Rosendale cement to lay a foundation?

Mr. SCULL. No; I do not know that I can recollect of any special work, but I have often tried to have our cement used, but the engineers have always been very insistent on Portland.

Mr. GEAR. Did you furnish the cement for the Sioux City bridge?

Mr. SCULL. No, sir; that would be done by the Western people, the freight rates from our point would prevent us from going that far west.

Mr. PAYNE. Is there anything that shakes a foundation any more than a heavy steam engine?

Mr. SCULL. I should not think so.

Mr. PAYNE. Running for a series of years. In regard to this foundation of your engine, did you find it destroyed in anyway by using the engine on it?

Mr. SCULL. No; not a particle.

Mr. TARSNEY. I see in your brief there is a cement manufactured at Kansas City, Mo.

Mr. SCULL. Yes, sir; that is Portland.

Mr. TARSNEY. Do they make good Portland cement there?

Mr. SCULL. Yes, sir; said to be.

Mr. TARSNEY. Why, then, did the constructors of 40 odd miles of cable railway in that city import all of their cement for this purpose from Germany instead of using that made right at home?

Mr. SCULL. Well, they ought not to do it, if they are doing it.

Mr. REED. You say they ought not. Do you know why they did do it—on what grounds?

Mr. SCULL. Well, they say that the foreign cement—that same prejudice comes up—is superior to the American, but we hope to demonstrate to engineers and architects that the American cement is all right, and I have known cases where they have made tests of American cement, and the American cement has beat the foreign cement on the machine, and even then they said "we are going to use that cement anyhow." Why they did it I do not understand. It has always been a mystery to me, and I certainly hope some day the thing will be over with.

Mr. PAYNE. You are gradually getting a market?

Mr. SCULL. Yes, sir; we are increasing.

Mr. PAYNE. And increasing right rapidly in the last four or five years?

Mr. SCULL. Yes, sir; Portland cement particularly. I desire to thank the committee for their kind attention.

GENTLEMEN: Thanking you for your kind permission to offer our views in relation to the cement industry we would present the following facts for your consideration:

The manufacture of cement has become one of the established industries of this country. In the building trade it takes its place alongside of the iron industry. In large and important masonry it is as valuable as the building stone. What the bolts are to the iron work, cement is to the stonework. It is possible now for engineers and architects to undertake with confidence large and extended pieces of work, as the American manufacturers are producing a cement of superior quality. This is becoming a recognized fact among consumers. For years the American manufacturers were forced to contend against the prejudice that the foreign cement was superior to the American; but the advent of the cement-testing machine has enabled the American manufacturer to obtain fair treatment, and to have his goods more properly understood.

The future of the American cement industry is one of promise, if no set-backs are

met with. There are 64 mills manufacturing what is known as "Natural Hydraulic Cement." Eighteen mills in Ulster County, N. Y.; 8 in Onondago County, N. Y.; 1 in Schoharie County, N. Y.; 4 in Buffalo, N. Y.; 6 in Lehigh Valley, Pennsylvania; 3 in Cumberland, Md.; 2 in Virginia and West Virginia, 1 in Georgia, 2 in Ohio, 2 in Illinois, 1 in Milwaukee, Wis.; 11 in the Louisville, Ky., district; 1 in Mankato, Minn.; 1 in Kansas City, Mo.; 1 in Fort Scott, Kans.; 1 in Salt Lake City, Utah; 1 in Chattanooga, Tenn.

There are 18 mills manufacturing Portland cement in the United States.

There is not less than $10,000,000 invested, and over 20,000 men employed in the industry.

From statistics that were presented to the House Committee of Ways and Means, and published in the Congressional Record of July 1, 1888, p. 6,328, we give the following figures, which we believe to be substantially correct:

COMPARATIVE LABOR FIGURES.

Cement is nearly all the product of labor.

In the United States.

	Per cent.
Quarrying represents	40
Burning represents	6
Grinding represents	6
Moving, etc., represents	5
Packing represents	3
Coal, coke, and cooperage, all the products of labor	27
Making of labor	87

This labor, which is all performed by men, represents on an average for:

	Per day.
Quarrymen	$1.50 to $2.50
Laborers	1.30 to 1.50
Millers	2.00 to 2.50
Millwrights	2.50 to 3.00
Engineers	2.00 to 2.50
Coopers	1.50 to 2.00

In foreign countries.

In Europe both men and women are employed in cement works. The wages paid as gathered from the investigation made in European cement works and from consular reports of 1884, are as follows:

Wages per day.

Laborers.	France.	Germany.	Belgium.	England.
Miners	$0.87	$0.52	$0.60	$0.52
Millers	$0.48 to .87	.65	.88½	1.00
Women millers	.29 to .39	.....	.....	.....
Millwrights	1.12½	.70	.83½	1.16
Laborers	.76	.60	.66	.78
Women laborers	.68½	.24	.57	.....
Engineers	.97	.73	1.03	1.10
Coopers	.93	.66	.86	1.13

AMERICAN MALE *vs.* GERMAN FEMALE LABOR.

From United States Consular reports, Ex. Doc., Forty-eighth Congress, p. 464, one German Portland cement manufactory in Silesia employed in 1884, according to its pay-roll, in its whole works:

Three workmen at	$0.36
Sixty-six workmen at	.24
Seventy men and women at	.24

A total daily pay-roll of $33.72.

An American works, of same number of hands, employs, according to its books:

Two engineers	$2.00
Four millers	2.50
Two millwrights	3.00
Thirty coopers	1.75
Fifty-one laborers	1.30
Fifty quarrymen	1.75

A total daily pay-roll of $226.30.

A daily difference in favor of the German manufacturer and against the American manufacturer of $192.50 in labor alone.

Again in the Consular Reports No. 127, for April, 1891, Consul-General New, of London, states: "Employment in the cement manufactories is generally by 'gangs,' *i. e.*, the men are paid in accordance with the amount of the product, and not per diem. The average wages, probably, will not exceed 24*s.* ($5.82) a week, and in many cases will fall below this."

There is no building that exists that could not have been built and made *just as strong with cement of American manufacture as that of the foreign product.* In support of our assertion, we point to the following structures which were built with American cements: New York and Brooklyn bridge, New York post-office, New York custom-house, Equitable building, Mutual Life Insurance Company building, City Hall in Philadelphia, Baltimore waterworks, Davis Island dam at Pittsburg, Pa., the piers of the Baltimore and Ohio railroad bridges at Havre de Grace and Brandy Wine creek, the Cantilever bridge at Niagara Falls, Baltimore post-office, Pittsburg post-office and court-house, United States custom-house, Cincinnati, Ohio; State House, Indianapolis, Ind.; and this list could be continued almost *ad infinitum.* At least 100,000 barrels were used in Washington on the following buildings: Capitol, Bureau of Engraving and Printing, new Patent Office, new Pension building, new Navy, War, and State Department building, Washington waterworks, Treasury building, Patent Office, and many other buildings.

We have sent as many as 60,000 to 75,000 barrels a year to San Francisco. To-day we are not sending a barrel. The freights are less to San Francisco from England than we can ship from New York. We are being driven out of Galveston and New Orleans also, and our lines are being drawn tighter and tighter every day.

Statement showing the quantities and values of cement entered for consumption in the United States; also the rate and amount of duty collected thereon from 1878 to 1893, inclusive.

Year ending June 30—	Quantity.	Value.	Value per barrel.	Rate of duty.	Duty.
	Barrels.			*Per cent.*	
1878	(*)	$184,086.30	.....	20	$36,817.26
1879	(*)	212,719.14	.....	20	42,543.83
1880	(*)	373,263.71	.....	20	74,652.73
1881	(*)	441,512.52	.....	20	38,302.48
1882	370,406	683,684.49	$1.85	20	136,736.89
1883	456,418	802,294.06	1.80	20	160,458.80
1884	585,768	825,094.98	1.41	20	165,018.99
1885	554,396	874,069.94	1.58	20	174,813.99
1886	650,032	733,296.60	1.13	20	146,659.31
1887	1,070,400	1,101,994.41	1.03	20	220,398.88
1888	1,019,718	1,896,876.19	.94	20	379,375.23
1889	1,515,316	1,459,875.98	.96	20	291,975.20
1890	2,169,500	2,171,450.22	1.00	20	434,290.05
1891	843,789	1,123,363.13	.....	20	224,672.62
	†697,094	5,585.00	.....	20	1,117.00
	†753,173,298	2,847,202.06	.....	‡$0.08	602,538.66
	2,726,722	.....	1.50	.....	.....
1892	†1,039,451,207	3,780,632.84	.....	‡$0.08	831,560.96
	†1,131,502	11,762.00	1.50	20	2,352.40
	2,598,628	6,804.00	.....	(§)	.....
1893	2,812,358	3,760,937.00	1.35	‡$0.08	899,954.56
	17,529,752	23,337,504.67	.....	.....	4,914,239.84

* Quantity not stated. † Pounds. ‡ Per 100 pounds. § Duty remitted.

The House Bill 9416, so-called "McKinley bill," was passed by Congress September 30, 1890, and went into effect October 6, 1890.

The importations of foreign cement into this country, by fiscal years and average selling price to the consumer at New York for the following years, has been as follows:

Importations of Portland cement since 1885.

[Fiscal year being from June 30 to June 30.]

	Cement.	Selling price.
	Barrels.	*Per barrel.*
1885	554,396	$2.75
1886	650,032	2.65
1887	1,070,400	2.60
1888	2,019,718	2.70
1889	1,515,316	2.65
1890	2,169,590	2.70
1891	2,726,722	2.40
1892	2,598,628	2.25
1893	2,812,358	2.20
Total	16,117,160	.....

Increase of importations since 1885, over 500 per cent.

Since this bill went into effect (October 6, 1890), according to the following table, we can readily see the number of barrels imported, the average price paid by the consumer, the amount saved to consumer, and the increased revenue received by the Government:

Year ending June 30—	Imported.	Average price.		Saved to consumer.	Increased revenue to Government.
		Old.	New.		
	Barrels.				
1891 (from Oct. 1, 1890)	2,066,390	$2.70	$2.40	$619,917	$268,630
1892	2,598,628	2.70	2.25	1,168,482	337,561
1893	2,812,358	2.70	2.20	1,406,179	365,606
	7,475,376	.....	.....	3,194,578	971,797

Since 1885 there have been imported, according to Government reports, 16,117,160 barrels of Portland cement, and at the lowest calculation over $8,000,000 was expended abroad in labor for making the same, which might just as well have been kept in this country if the American manufacturers had supplied the cement instead of the foreign producer.

During the fiscal year ending June 30, 1893, 2,812,358 barrels of cement were imported in spite of the operations of the McKinley bill, a larger number of barrels imported in one year than ever before, and yet the average price to the consumer for the same year was 50 cents per barrel less than during the year previous to the enactment of the McKinley law, as we see from the foregoing statement.

Since this law became operative and to July, 1893, according to the corrected statistics of the Treasury Department, there have been 7,475,376 barrels of foreign building cement imported, having a declared value of $11,536,286.23, or an average of $1.54 per barrel.

As compared with the average price of $2.70 per barrel, that cement sold for in New York City in 1890, and as compared with the average prevailing price of $2.40 in 1891, of $2.25 in 1892, and $2.20 in 1893, there have been saved to the consumer over $3,194,578 on the importations of those three fiscal years. Yet, because of the duty being specific instead of ad valorem, an increased revenue of $971,797—nearly $1,000,000—accrued to the Government, and although the price to the consumer declined during the said three years 50 cents per barrel, yet the invoiced value rose from $1 per barrel in 1890 to $1.35 during 1893, an increase in declared value of 35 cents per barrel. This proves conclusively that incident upon the operations of the McKinley bill the consumer obtained the same article, if not a better one, at a lower cost, while the Government was the gainer in revenue to the extent of $1,000,000.

Believing that the industry will receive such consideration at your hands as it deserves, we remain,

Very respectfully,

THE LAWRENCE CEMENT CO.,
ERNEST R. ACKERMAN,
President.
M. ALBERT SCULL,
MARION S. ACKERMAN,
General sale agents.

NEW YORK CITY, September 14, 1893.

PORTLAND CEMENT.

(Paragraph 95.)

SYRACUSE, N. Y., *September 8, 1893.*

SIR: I desire to make a plea for the retention of the duty on Portland cement. The industry is in its infancy and to remove the duty at this time would cripple a new industry which is struggling for life. There is a concern in our midst who have invested about $300,000 in starting a cement works. They are just under way and after a few years would not care particularly for the duty, but as there are only one or two factories in the country at present, to abolish the tariff on Portland cement at this time would practically force our friends to go out of business. I would respectfully suggest to the committee that changes and reductions be made only on those products where the industries have attained their full growth. I am in favor of abolishing the tariff on the products of all industries that have grown immensely wealthy because of the tariff and who are best able to stand a reduction.

In behalf of many citizens in central New York, I would most earnestly request that no change in the way of a reduction be made on Portland cement. I have no interest in the cement business, and am actuated solely by the best motives in advocating the retention of the duties.

Respectfully, yours,

JAMES K. MCGUIRE.

FLEMING CEMENT AND BRICK COMPANY,
23 LIBERTY STREET,
New York, September 8, 1893.

CEMENT.

SIR: Mr. R. W. Lesley, one of the selling agents for American cement, is represented as giving before you his reasons for the retention of present duty on imported cement, viz, 8 cents per 100 pounds in barrels and bags on Portland, Roman, and other hydraulic cement. I respectfully submit for your consideration the true facts.

Mr. Leslie states that cement comes in practically as ballast, the rate of freight being as low as 10 to 15 cents per barrel as against 30 to 40 cents to the same points from American works.

New York City is the chief point for importation. The rate of freight by steamers from London to New York by the different steamship lines is uniform, and established for the season annually in the months of March and April.

Year.	Per ton.	Per barrel.
	s. *d.*	*Cents.*
1889	10 0	43.38
1890	8 6	36.90
1891	8 6	36.90
1892	6 6	28.15
1893	5 0	21.76

The importation by sailing vessel from London is insignificant.

From continental ports the freight by steamer is a little higher than from London, but a considerable quantity is imported by sailing vessels, so that the average freight is a little less than from London, but

the additional insurance for sailing vessels brings it to about the same.

I take it that as Mr. Lesley refers to the price of English cement he makes it the basis of comparison.

Mr. Lesley's statement that cement comes in practically as ballast freight is, therefore, refuted.

The statement that it costs 30 to 40 cents per barrel to bring cement from American works to New York is possibly correct.

I would point out that imported cement is sold at places where the freight from Atlantic ports is much higher than from American cement works, and buyers assert that the reason for paying the increased cost for imported cement is because of its superior quality and greater suitability.

Mr. Lesley states that cement is essentially a labor product, and labor to the extent of 90 to 95 per cent of the selling price entered into that price.

In order to refute this fiction I would state that in Europe cement is sold by the ton and delivered to the buyer in the package and of the weight desired. For the United States and other markets it is packed in barrels, as most easily handled, and the average weight per barrel is 400 pounds. Importation of cement in bulk is not feasible, and if packed in sacks it is liable to damage from dampness and loss of contents through injury. The cost of the barrel is 1*s.* 6*d.* to 2*s*, say, 36 to 49 cents, according to quality. The cost of making by hand or machinery is inconsiderable—the wooden staves and heads, iron and wood hoops are the largest item of expense. *Labor, therefore, does not enter into the cost of making the package to the extent of 90 to 95 per cent.* Cement in England is made from chalk and clay. Manufacturers have to make large investments in lands to obtain the raw products, or if they buy from vendors it costs 1*s.* 6*d.* to 2*s.* 6*d.* per ton. Coke for the burning, fuel for engines and replacement or repair of grinding and other machinery can not be classed as labor.

I assert that the actual item of labor does not exceed 40 per cent of the selling price. The increased and increasing importation of cement is due to its larger employment, and the price to the consumer has been lowered through the lessened cost of manufacture, whilst quality has been bettered by improved methods. The aggregate margin of profit to manufacturers and importers being greater on the larger scale, though the profit on each barrel may be less than when a smaller business was done. *I submit for your consideration—*

(1) Ocean freight, insurance, and importing expenses increase the cost of cement free on board, London, 20 to 25 per cent, according to port of importation, which is protection to an American manufacturer.

(2) That a specific duty of 4 cents per 100 pounds be assessed on all cement, which would furnish a large revenue to the Government.

(3) That section 3052 of Revised Statutes, in as far as it affects cement, be repealed.

This section inflicts on buyers of cement outside the United States a penalty of 3 cents per 100 pounds, or 12 cents per barrel for the privilege of buying cement in bond in United States, and is a restriction to foreign trade; its enforcement has been a loss of freight to vessels trading between United States ports and West Indies, South America, and Mexico, and of wages for labor connected with shipping and warehousing.

Yours, respectfully,

FLEMING CEMENT AND BRICK COMPANY,
HOWARD FLEMING,
President.

LESLEY'S REPLY TO HOWARD FLEMING'S COMMUNICATION.

Mr. Fleming's argument may be divided into two heads:
First. Freights.
Second. Per cent. of labor in manufactured cement.

First. Freights.—Taking up his statements briefly on this point of the case, I would say, that on pages 1 and 9 of my pamphlet I fully set forth the matter of freight, and the figures I give—of from 10 to 15 cents—are made up from freights actually paid to the points mentioned, and relate to the freights of the year 1893, which is, as I understand, the present year and the year we are discussing in considering this tariff question. In 1893, according to Mr. Fleming's figures, the freight was 21.76 per barrel from London to New York.

I state that "sailing vessels have brought cement for as low as 10 cents per barrel to New York." This is a fact, and can be substantiated by the original invoices showing importations this season by sailing vessels as low as 9 cents, and importations by steamer from Antwerp as low as 6¼ cents. So far as steam shipments are concerned, I name them as low as "20 cents to Philadelphia," which is the existing rate, and which is also the existing rate from the same ports to New York. Further, the statement of Mr. Fleming that "the freight from continental points by steamer is higher than from London" is incorrect, inasmuch as the inclosed two letters offer a "guarantee" of a "5-shilling freight from Antwerp" to Philadelphia for large business, so that from these figures my statement that cement comes in practically as ballast freight "is not refuted" by anything that Mr. Fleming states, and it is not necessary for the gentleman to be charitable enough to remark that my allegation as to the freight from American works to New York "is possibly correct" as against the receipted freight bills shown by me to the committee on this point of the case.

In this connection it can be still further seen, by examining the figures of freights given by Mr. Fleming, and examining the figures of cost of four brands of English and German Portland cement laid down on the American seaboard, as shown on pages 2, 3, and 4 of my argument, that when the duty on Portland cement was averaging the United States Government about 20 cents per barrel in 1889 and 1890, an English "freight pool," controlling the different steamship lines from London to New York, and making the Mr. Fleming's "uniform and established freight rate," charged on an average 40 cents per barrel freight, while the same English "freight pool," when they found their business was threatened by the growth of the American industry, caused by the change of the duty to 30 cents, actually reduced their freight from 36 cents in the year 1891 down to the present rate quoted by Mr. Fleming, of 21 cents per barrel in 1893.

In the same connection it will be noted that while the English steamship trust, which is a well-recognized institution in New York, was perfectly ready to take the extra 20 cents freight that they were enabled to do by reason of the low duty on cement prior to 1890, that the foreign importers were also not idle in taking their benefit from the action of the same pool. By comparing the figures of cement laid down, given by me, it will be found that in the year 1892, when, according to Mr. Fleming's figures, the freight on cement by the steamship pool was 28 cents per barrel, that the importers of English cement were charging $2 and $ 1.97½ per barrel for their cement, and that in 1893, when the rate of freight had dropped, according to Mr. Fleming's figures, 7 cents per barrel, the same importers kept on charging the American jobbers

the same figures for their cements, generously absorbing this 7 cents reduction in the freight.

From Mr. Fleming's figures, therefore, on the question of cement coming in as ballast, I must respectfully claim that he has utterly failed to "refute" the statements made by me, but, on the contrary, has directly shown that when a reduced rate of duty is made an English trust (the London steamship pool) is ready to absorb all it can in freights, and that importers are ready to share in the booty, at the expense of the American consumers. As against these facts, which show what becomes of any reduction in duty that might be made on cement, the committee has before it, on page 3 of my argument, the figures showing an actual reduction of 15 cents per barrel for American Portland cement for tide-water deliveries, with the rates of freight exactly the same in the years 1890 and 1893, as shown by freight bills.

Certainly Mr. Fleming did not intend to ask the committee to do what his figures clearly prove, and that is to destroy an American industry, uncontrolled by trusts, in order that an English steamship trust and English importers should profit at the expense of American consumers and laboring men.

Second. The labor cost of cement.—In reference to the statement I made as to the labor cost of cement, which Mr. Fleming characterizes as "fiction," his large experience as an importer and his absolute want of knowledge as a manufacturer no doubt enable him to give much more accurate figures than those found on page 6 in my argument, which are actual costs gathered from a number of American works by men actually engaged in the business and providing the money with which this labor is paid. These figures show by items that from 87 to 95 per cent of the selling price of a barrel of American Portland cement is for labor.

Mr. Fleming broadly states: "I assert that the actual item of labor does not exceed 40 per cent of the selling price." In support of this broad statement he makes an argument which is almost unintelligible. He begins by saying that the cost of the barrel (from 36 to 49 cents) does not enter into the labor cost of cement, though in the next sentence he says: "The cost of making barrels by hand or machinery is inconsiderable; the wooden staves and heads, iron and wooden hoops, are the largest items of expense." Whose "hands" other than those of labor are to make the barrel? Whose hands make the staves and heads and the iron and wood hoops into whose production Mr. Fleming says "labor does not enter?" Certainly in this country all these items are produced by human labor in some form, and this labor must be paid for at the American rates for American labor, and is properly so stated by me.

His second point is that in England coke must be used for burning Portland cement. This is also the case in this country, and why coke is reckoned as labor product in England and should not be considered as a product of labor in this country is left for Mr. Fleming to explain.

His third point is that, after considering coal as a labor cost in England, it is improper for us in this country to consider the coal produced by American labor and used for the engines as a proper element of labor cost; and,

Fourth, he claims that the millstone-dressers employed at daily wages in the cement mills for the repairing of grinding and other machinery are not labor properly chargeable against the cost of cement, though certainly they are just as much so as any other class of workmen employed in cement works.

All of these four items of cost are embraced with the others on page 6 of my argument, which gives the total labor cost of a barrel of

cement at about 87 per cent, and shows that the single item of quarrying, according to my figures, which figures are absolutely unassailed in any of their details by Mr. Fleming, is alone 40 per cent of the cost of a barrel of cement. In the absence of more specific details verified by proper statements there can be very little importance attached to Mr. Fleming's unsupported "assertion" that labor in America "does not exceed 40 per cent of the selling price of cement." If further proof of the gentleman's absolute want of knowledge and lack of candor in treating this branch of his subject were required it can be found in a single quotation from his remarks on this same question, where he states as an element to refute the "fiction" of the labor cost of cement in America the fact that "manufacturers in England have to make large investments in land to obtain the raw product," thus leading to the ridiculous and unjust inference that the American producer gets his land free, a thing which up to this time has not occurred to the average American producer, but is a point upon which Mr. Fleming is no doubt ready to enlighten him with more misinformation.

So much for the two main points in Mr. Fleming's statement.

On another subject I must again take issue with the gentleman, who could hardly resist the temptation of an attack upon the quality of American Portland cement, and who states: "I would point out that imported cement is sold at places where the freight from Atlantic ports is much higher than from American cement works, and buyers assert that the reason for paying the increased cost for imported cement is because of its superior quality and greater suitability." As to this, "the proof of the pudding is in the eating," and when Mr. Fleming will sit down and explain how it is that in his own city, on the New York aqueduct, where he formerly sold the cement, American Portland cement is almost exclusively used, and at prices as high, and in some cases slightly higher, than those paid for the standard brands of foreign cement for similar deliveries, he need not bother about describing what may occur at distant points.

Furthermore, I would say that ocean freight, insurance, and import expenses do not "increase the cost of cement from 20 to 25 per cent, according to the port of importation," and that if they did, such increase of cost would not "be protection enough to the American manufacturer," and in support of this I submit an offer of cement from London, which shows that one of the best brands of foreign cement can be laid down in this country at $1.80 per barrel, and that the ocean freight, insurance, and import charges on such shipment will not exceed 22 to 24 cents per barrel, and as against these figures which show that the cost of a barrel of English cement at New York is made up as follows:

Cost on ship at London (5*s.* 3*d.*)	$1.26
Freight	.20
Duty	.30
Insurance, banker's commission, etc	.04
Cost delivered New York	1.80

American Portland cement would cost at present figures:

Price at mill	$1.60
Freight to New York	.31
Cost delivered New York	1.91

The difference in the two costs is due to the additional cost of American labor, nearly two and one-half times greater than in Europe. If, however, the American producer were given the same cost on cars as the English produeer is given on board vessel, including exchange, etc., regardless of the additional cost of labor in America, the figures would be:

Price at mill	$1.30
Freight to New York	.31
Cost delivered New York	1.61

So that if the duty were taken off or reduced, it can be seen that, even figuring American labor at the same figure as the English labor, and the price to the Americon manufacturer at the same price as is paid to the English manufacturer, the American manufacturer would be entirely driven out of the business. Especially is this demonstrable when the inclosed offer of a second-grade Portland cement from Belgium is considered:

Cost on ship Antwerp (4*s.* 5*d.*)	$1.06
Freight to New York, Red Star steamship	.06½
Duty	.30
Insurance, banker's commission, etc	.04
Cost delivered New York	1.46½

If the duty were reduced or taken off in this case, the American laborer in cement works, in order to compete, would have to receive the wages of the Belgian laborer, the poorest paid workingman in Europe.

In conclusion Mr. Fleming recommends a specific duty of 4 cents per 100 pounds, which he says would "furnish a large revenue to the Government." Mr. Fleming, however, does not say how much revenue would be furnished, and does not deny that under the present tariff the Government is getting more revenue than ever from the importations of cement. Taking the figures from the last three fiscal years (the figures in my original argument being the calendar years, in order to make comparisons between the census and the import figures), it can be seen that the average annual importations have been about 2,700,000 barrels:

	Barrels.
In 1891	2,726,722
In 1892	2,598,628
In 1893	2,812,358

And that the present duty has not decreased the importations, but, on the contrary, has increased them on an average for the period, say, 600,000 barrels per annum since 1890. They show also that this figure seems to be about the maximum figure for importations, the additional demand for Portland cement being supplied from the American mills, which have increased their product nearly 100 per cent within the last two years. Assuming, therefore, that your honorable committee in the framing of the tariff is acting under the platform of the Democratic party, and is, therefore, to consider the question of revenue to the Government and the price to the American consumer, it can readily be seen that were Mr. Fleming's suggestion adopted two things would occur:

First. That the selling price of cement to the consumer would return to the figures of 1890, where, under the lower rate of duty (act of 1883), the consumer paid an average of, say, $2.41 per barrel for his cement, as against an average price of $2.07½ for the same brands of

cement under the act of 1890, thus creating a state of facts which would therefore cause a total loss to the American consumers of cement, estimated on the importations of cement for the calendar year ending June 30, 1893, of about $928,000 per annum.

Second. That upon imports equivalent to those of the fiscal year of 1893 the Government, instead of receiving nearly $900,000 per annum in duty, would receive only $450,000.

Under these conditions, without considering the question of whether labor in this country commands more wages than abroad, or whether an American industry established after great loss and trouble should be maintained, it is respectfully contended that the recommendations of Mr. Fleming as to the rate of duty should not be followed by your honorable committee upon the basis alone of the lessened cost to consumers and the increased revenue to the Government resulting under the existing law.

ROBERT W. LESLEY.

HAEBLER & CO., 71 WALL STREET,
New York, September 6, 1893.

SIR: We see by to-day's paper the argument of Mr. R. W. Leslie, of the American Cement Company, relating to the duty on foreign cement, and are surprised that your honored committee was given to understand by him that, owing to the "McKinley bill," the price of foreign cement has been lowered from $2.35 to $2.60—which were the prices before the "McKinley bill" went into effect—to $1.97½ to $2.10 at the present moment.

To state that this decrease in price is due to the working of the "McKinley bill" is entirely erroneous, and we beg to correct same. The fall in price is solely due to increased production and poor business in general, which has compelled manufacturers of cement to lower their prices in order to secure business wherever they can get it. Like most other articles cement has suffered in prices on account of the poor business all over the world.

We further beg to state that the production of American cement is so small that it hardly comes into competition with foreign cement, and although the quality of same has been repeatedly claimed and advertised to be as good as the imported cement, we have found, so far, no cement made in this country that has proven so.

Yours, very truly,

HAEBLER & CO.

NATURAL HYDRAULIC CEMENT.

(Paragraph 95.)

SINCLAIR & BABSON,
New York, September 15, 1893.

SIR: Nine-tenths of all the cement manufactured in this country is of this class. This article regularly sells in the open markets at 75 cents to $1 per barrel. The actual cost of imported cement *without* the duty is $1.75 (as an average) per barrel. Therefore, what protection does this article need?

The McKinley bill increased the duty on cement from an average of 21 cents a barrel to 32 cents a barrel, being about 50 per cent, an outrage on the masons and builders of this country. Imported cement is an actual necessity to the masons of the country, and American cements never will and never can take its place.

Yours truly,

A. C. BABSON.

LIME.

(Paragraph 96.)

STATEMENT OF HON. FRANK JONES AND OTHERS, PORTSMOUTH, N. H.

The above petitioners represent that, with possibly one or two exceptions, they are all citizens and most of them residents of the United States; that they have a large amount of American capital invested in lime properties across the line at Dudswell, near Sherbrook, Province of Quebec, and at St. John, New Brunswick, consisting of lime quarries, limekilns for the manufacture of lime, and vessels for its transportation; that they have been engaged in the manufacture of lime at said places some six or eight years past, being practically the only firms outside of the United States engaged in the manufacture of and importation of said article, and that most of their product is marketed in New England and New York at a low figure and to the benefit and advantage of every consumer of this product.

They represent that this market for the past score of years has been entirely controlled and manipulated by a combination and a trust composed of lime manufacturers in the towns of Rockland, Rockport, and Thomaston in Knox County, Me.; that this unlawful trust has about one hundred limekilns situated in said county; that it has enjoyed for a long period complete control of this market by a system of curtailing production—running at times 50 per cent of its kilns, at others 30 per cent, and at others, shutting down all of them—thereby creating an artificial scarcity of this much-used commodity, to the great detriment and pecuniary loss and injury of all consumers—builders of houses and pulp manufacturers—and further, that by this unlawful system and complete lack of competition they have been able to accumulate enormous fortunes—every consumer along the Atlantic seaboard through New England and New York having been forced to pay tribute to this most complete and absolute monopoly.

Your petitioners further represent that the duty on lime was formerly 3 cents per barrel, until the enactment of the McKinley law, when it was raised to the dizzy height of 6 cents per 100 pounds, or from 13 to 15 cents per barrel, according to the weight of different limes from different quarries. Or, in other words, raised from 400 to 500 per cent, thereby distancing any and all other performances in that remarkable law. They represent that this great fraud was perpetrated on the people by a committee of the Rockland Lime Trust, who proceeded to Washington with the avowed purpose and with instructions to ask that the lime tariff be raised to 5 cents per barrel, and that one member of this committee, more sagacious politically than the rest, after a reconnoiter of the premises, decided that it was best for them to ask for 16 cents per barrel, and on the principle, to use his words, "that you never get anything in this world without you ask for it." This

said committee returned to the Rockland Lime Trust astounded at their fortune in obtaining a tariff duty of about 14 cents per barrel instead of 5 cents per barrel, for which they went on to Washington to ask in place of the former duty of 3 cents per barrel.

Your petitioners represent that this monumental rise in the tariff of between 400 and 500 per cent in the McKinley law has completely paralyzed and ruined their business, and has left a large amount of American capital tied up in idle and unproductive lime works at Sherbrooke, Province of Quebec, and St. John, New Brunswick, and they pray that this unjust tariff on their merchandise may be removed altogether in the contemplated revision of the tariff. They further aver that the freight, either by water or rail, from their works to the market is always from 4 to 8 cents per barrel more than from Rockland on account of the greater distance, and that this, coupled with the well-known fact that most of their lime is not of such good quality as the Rockland, except for ordinary stone or mason work, and that for that reason it must sell at a lower price in the market, should give, and in fact does give, the Rockland Lime Monopoly all the protection they are entitled to (10 to 13 cents) at the expense of the consuming class.

They would call attention to the fact that after the erection of the kilns most of the expense in the production of a barrel of lime is the cost of the labor and the cord-wood consumed in burning of the lime rock. In the point of labor your petitioners claim that their labor is paid practically the same, or, if anything, more than the Rockland labor, except for some of the coarser grades of common work, as some of their labor was taken from Maine. The only item of any importance which they get much cheaper is wood, it being convenient and accessible to their works, and long transportation being saved thereby.

To show further the iniquitous injustice of the McKinley law in regard to lime it may be stated that the Rockland Lime Monopoly imports from the St. John River, and other points in the marine provinces, an immense amount of cord wood with which to burn its lime; that a large fleet of provincial vessels is constantly engaged in this trade; that stated roughly in round figures the Rockland Trust uses in this business some 80,000 to 90,000 cords of wood each year, and that between 60,000 and 70,000 cords of this wood comes from the maritime provinces, they *not paying a single cent duty on it.*

Query.—Why should the consumers of the lime produced by this complete and illegal trust and monopoly, which does not have to pay anything in the shape of duty on the hundreds of cargoes of wood it imports from St. John and other points, be forced by law to pay 400 to 500 per cent in rise in duty on the lime which a few American merchants were unfortunate enough to venture into manufacturing at St. John and Sherbrooke?

It may be of further interest to know that the Government of the maritime provinces is being petitioned to put on an export duty of $1.50 to $2 per cord on the wood thus brought to this country, which would naturally be stayed were the unjust tariff on lime removed. It would be a misfortune of no small proportions to have such an export duty put upon this wood, as it would tend to make the American farmers denude their wood lots much faster than would be for the best general interests and future common welfare.

Your petitioners, therefore, respectfully pray your honorable committee to recommend the complete remission of this duty, so that they may light up their kilns and set to work the capital now locked up since the enactment of the McKinley law.

The statement and objection may be made by the Rockland Lime Combination, that while they got the tremendous rise on the lime tariff in the McKinley bill on the ground that they were making no money at that time, because of the competition of the foreign lime manufacturers, and that the avowed object of said rise was to "freeze out" foreign lime commerce and have a chance to raise their own lime in the market, "so that they could pay their labor more." (Which labor they regarded with a touching affection before the committee.)

As a matter of fact, lime on the market went lower after the passage of the McKinley bill than it was before. Your petitioners will not deny the truth of this statement, but it is easily explained. The committee representing the Rockland Lime Trust returned home after having procured the said rise of about 500 per cent in the tariff, and individual members of said combination were so elated at their luck that they, for the time, broke up the combination and engaged in a fierce competition among themselves, with the fancied security that, having killed completely all competition from your petitioners, they would have an unlimited market at their own price.

Your petitioners, however, aver that they themselves have still been manufacturing some lime in a small way, running some four to six kilns out of thirty, and putting said lime onto the market at a loss, for the purpose of making a price for the said unrighteous combination; and, further, that the said combination and trust is now in force again at present time, and that it has issued circulars to the trade, raising the price of its productions from 5 cents to 8 cents per barrel.

To sum up your petitioner's claim:

(1) It is, with one or two exceptions, all American capital which they have invested in New Brunswick and Quebec.

(2) That the great difference in the freight to market, on account of the greater distance to market, varying from 4 to 8 cents per barrel all the time, and that the fact of their lime being principally fit only for rough stone and brick and mortar work and not for plastering, which necessitates the selling of their lime on the market at a price varying from 5 to 10 cents per barrel lower than the lime produced in Rockland, gives the Rockland Lime Trust all the protection it is entitled to at the hands of the consuming class.

(3) Your petitioners simply ask your honorable committee to recommend the putting of this commodity on the free list, that they may have a fair chance for open and honorable competition with this monopoly for the benefit of the consuming class, and for their own benefit and salvation, by allowing the unlocking of their capital, which has been unjustly tied up in idle limekilns since the passage of the McKinley law.

(4) They freely allow that the amount of capital invested is not so great as in some of the great manufacturing industries, though some of those interested have all they have in the world invested in it, but they feel they should not be ignored for that reason, as the principle running through the whole McKinley law of fostering by absurdly high duties disadvantageously situated home industries is wrong from the start; and they pray that this unjust discrimination may be removed at the earliest moment possible.

GYPSUM.

(Paragraph 97.)

F. W. DEVOE & C. T. REYNOLDS CO.,
New York, September 19, 1893.

DEAR SIR: We import an article known as gypsum, or plaster of Paris, unground, used solely in the manufacture of paper and for no other purpose whatever. It is known in the paper mills as a filler to give weight, hardness, and smoothness to the paper, and as it enters largely into the manufacture of paper, being mixed in the pulp, we think it should be free of duty.

The appraisers here have examined it and find it to be a sulphate of lime, pure and simple, and if it is named in the tariff act as plaster of Paris or sulphate of lime, unground, crude or manufactured, free, it will cover our article; and if the words crude or manufactured be added to paragraphs 97 and 680—plaster of Paris or sulphate of lime, unground, free; ground, $1 per ton—it will settle the question of duty that our custom-house has been contending with for some time.

Respectfully,

G. A. & E. MEYER,
59 Maiden Lane, New York City.

EASTON, PA., *September 13, 1893.*

SIR: If the duties are lowered on the goods we manufacture we will have to close our mills unless we are able to reduce wages to the extent of meeting the reduction.

The wages we pay are much higher than is paid for the same class of work in foreign countries. We pay quarrymen from $1.25 to $2 per day of nine hours. England pays for the same kind of work 50 to 60 cents per day; Germany, 52 to 60 cents; Belgium about the same; France, 60 to 75 cents. We pay our millers $1.50 to $2.50 per day; abroad their pay is much less.

The freight on these goods—clays, plaster of paris, gypsum, barytes, etc.—is very low, coming out frequently as ballast, so that the item of transportation does not count against their introduction into this country, and we must depend on the tariff to protect our home industries on this class of goods.

Our competition comes from abroad and we shall have to meet it or close our works. Their agents are here among us and we have to meet their prices and be content with the present small margin of profit.

If the tariff is further reduced on our line it will mean extinction for us.

I here give you the present rate on goods which we say can not stand any further reduction, but which, in fact, should be increased:

	Per ton
Ground plaster of Paris or gypsum	$1.00
Calcined	1.75
Should be doubled.	
Unmanufactured clay or earths not specially prepared	1.50

The above I suppose means unwashed clay. It should be $3 per ton gross. Prepared clay, known as paper clay, should be $5 per ton.

China clay or kaolin in bulk not washed, should be $3 per ton and washed and prepared not less than $5 per ton.

White barytes, sulphate of Baryta crude, should be $3 per ton manufactured, not less than $10 per ton; whiting and Paris white, manufactured in casks and barrels $10 per ton; ground in oil or in putty 2 cents per pound. Chalk white 2 cents per pound. Crude soapstone and crude white talc should be $5 per ton, and manufactured should be $10.

Mechanically ground wood pulp should be $5 per ton. Mechanically manufactured wood pulp should be $8 per ton. Bleached wood pulp should be not less than $10 per ton.

You have on free list the following articles which should not be there:

Unmanufactured white chalk. This should pay a duty of $3 per ton.

Common blue clay should be classed with crude and pay a duty of $3 per ton.

Yours truly,

M. T. WARNE.

CHINA CLAY, OR KAOLIM.

(Paragraph 98.)

SIR: On behalf of the consumers in the United States of the raw material English china clay (kaolin), your committee in framing your bill is requested to remove the duty, $3 per ton, on the above article, and to place the same on the free list.

Ninety-five per cent of the English clays coming into this country are used by the manufacturers of paper, and this latter industry is one of the largest, employing a vast number of hands, almost entirely all skilled labor.

There has been a revolution in the last fifteen years in the manufacture of nearly all grades of paper, owing to the modern methods of using wood, and this change has brought English clays into prominence. The increase of the imports of English clays in the last ten years is remarkable. As much has been imported in the six months, January 1 to July 1, 1893, as was brought in throughout the entire year 1892.

With our export trade in paper rapidly increasing, with still greater promise, owing to the natural advantages on account of wood, the relief from this tax would still further enable our manufacturers to compete with the English makers, in whose product this clay plays an important part.

The domestic industries protected are the talc interests, and the so-called Southern clays. The first named is practically controlled by two companies, one of which is capitalized at $5,000,000. The other is smaller.

The Southern clay interests taken in connection with the talc organizations do not seem sufficiently important to burden the entire paper industry of the United States. Indeed, a large proportion of the paper manufacturers can not use either of the above domestic articles or any others in their papers, to take the place of English clays.

The market price of talc and Southern clays is to-day, in large quantities, $9 to $10 per ton. That of the English clays is to-day $14 to

$16 per ton. With this difference in price what is the need of protection? If the paper-makers of the United States can find an article satisfactory at $10 per ton, why is it that they are using English clays at $14 to $16 per ton?

The removal of this duty is requested because the great paper manufacturing interests of the country demand it. English clay is necessary to them, as it forms a large per cent of their raw material, and domestic substitutes can not be advantageously employed.

In support of the foregoing, attached herewith is a petition signed by a number of the leaders in this same paper manufacturing industry.

Yours truly,

JOHN RICHARDSON.

PHILADELPHIA, *September 15, 1893.*

Kaolin or china clay as prepared for the potters' use derives its value principally from labor in mining, washing, pressing, and drying. In preparing it for market 75 per cent of its valuation is represented in labor at the various mines. The principal mines producing china clay are located in North and South Carolina, Georgia, Florida, Kentucky, Missouri, Delaware, and Pennsylvania. The average price of labor is found to be $1.25 per day.

The total importation of the higher grade of clays used by potters and paper-makers comes from Cornwall, England, and the average price of labor at the English mines is 2*s.* per day.

The cost of transportation from the Cornwall clay mines will average 11*s.* per gross ton to any of the principal seaports of the United States, large quantities being carried as ballast by steamers coming westward for lading.

The average railroad freight from the American mines to the pottery centers exceeds that on foreign clays from any American port, with the ocean freight added. That from Florida is $6 per ton by rail and water; that from South Carolina and Georgia is $4 per ton by rail and water; that from North Carolina, all rail route, is $4.50 to $5.50; that from Delaware and Pennsylvania, all rail, $1.98 to $3.

China clay, when prepared for market, constitutes but one-sixth of the material mined, as all geological authorities show, while the material carried to the mill for washing, pressing, drying, etc., results in but one-third of marketable goods, so that it can not properly be classed as raw material. They are manufactured goods, and so classed in various State tax laws which discriminate in taxation between manufacturing and other classes of corporations, notably in Pennsylvania.

It will be seen that the present tariff duty on china clay, while not affording a satisfactory protection to the American miner, has increased the importation very largely.

We find that there were imported into the United States during the fiscal year 1889 at the ports of Boston, New York, and Philadelphia, 19,9 gross tons of kaolin or china clay at a valuation of $109,398, and for the fiscal year 1892 at same ports the import was 33,002 tons, at a valuation of $264,738, showing an increase in importation of foreign clay 71 per cent in tonnage and 140 per cent in valuation.

From data furnished the Clay Miners' Association it is found that the product of the American miners of china clay for the year 1889 was 18,040 tons, and in 1892 was 25,100 tons, being an increase in production of 39 per cent, while the imports as above stated increased 71 per cent.

The capacity of American clay mines already developed is fully equal to all demands, and there is an unestimated abundance of it lying undeveloped in Virginia, North and South Carolina, Georgia, Alabama, Texas, and in fact, in nearly every Southern and border State in the Union.

While New Jersey, Illinois, Missouri, Kentucky, and other States have what are called ball clay, technically known as "unwrought," dutiable at $1.50 per ton, the present duty of $3 per ton on china clay and $1.50 on unwrought clay does not cover the difference in wages paid in American mines over that of Cornwall, England. It would require $1 per ton added to the present duty of both china and unwrought clay to bring the American production on an equal footing with the foreign.

American clays are in every respect as good as the foreign.

Respectfully submitted,

JESSE B. KIMES,
Secretary Clay Miners' Association.

THE STANDARD KAOLIN COMPANY OF FLORIDA,
Ocala, Fla., September 6, 1893.

SIR: Within the last few years large deposits of the finest quality of kaolin or china clay have been discovered in Putnam and Lake counties, Florida. Several plants have been erected for the preparation of the kaolin for market, and the business will soon grow into large proportions if present conditions remain and the present tariff of $3 per ton on foreign clays is not removed. English clay, which is no better than our Florida material, and of which 65,000 tons are imported per annum, is now sold at Trenton, N. J., at about $12 per ton, after paying a tariff of $3 per ton, which would bring the price to $9 per ton if the tariff is removed. Freights to the potteries at Trenton, N. J., from Florida are but little less than $7 per ton, and the cost of mining, washing, and preparing the clay for market is about $4. You will see from this statement of facts, which you can easily verify, that if the duty is removed we can not go into the market at all and that our already large investments in the clay beds are practically lost.

I can assure you that the business of mining kaolin in Florida is likely to be one of the important industries of the State. The deposits are very large and practically inexhaustible. The quality of the clay is better than any yet found in America and equal to any in Europe. Of this there is no doubt, as it has been tested, both chemically and practically, by potters in France and England and by a great numbe of manufacturers in America. All unite in saying that the Florida cla is an almost perfect article, and they would be glad to use it to the e clusion of all others when they can get it in quantity.

The capital already invested in the lands and mines is large, and tensive preparations requiring larger expenditures for machinery, c. for practical mining are under way. Two plants are already in cessful operation. The amount of capital that will come to Flori to be invested in the kaolin business is very large, but all negotiati s in this direction are delayed on account of the fear that the duty on eign clay will be removed by the present Congress.

Yours, respectfully,

SAM'L W. TEAGU
President Standard Kaolin C any.

tities, &c.

GEO. KNOWLES & SON,
East Liverpool, Ohio, September 6, 1893.

We take the liberty of bringing before your committee the subject of clay and other materials imported for the manufacture of pottery, white granite and chinaware, tile, etc. Cornwall china clay, present duty $3 per ton. This clay is required to enable the potters to make goods equal in quality to foreign; also unwrought ball clays, which are also required for their plastic properties, in which the American clays are deficient. Without these clays the American potteries could not make such fine grade of goods, for the reason that they are finer clays, being more uniform in color and plastic; also stone flints and spar. All these ought to be free of duty to help the potters to compete with foreign goods. The present duty on manufactured goods is not sufficient to make potteries profitable with having duty to pay on crude materials as well as manufactured materials, largely imported, such as boracic acid, colors, and liquid gold. These are not made in this country in any quantity, therefore have got to be imported. By putting on the free list would assist the manufacturers in competing with the foreign goods, which can not be done at the present time without reducing wages. These are facts from my own knowledge.

I sincerely hope the committee will recommend the duties on clays and manufactured articles required which is now imported be put on the free list and allow the present duties now charged on manufactured earthenware, china, tile, etc., to remain, or the consequence will be a reduction of wages to any changes your committee may make.

Yours, respectfully,

GEO. KNOWLES.

OCALA, FLA., *September 7, 1893.*

Some three or four years ago it was discovered that there were deposits of china clay in various parts of this State. After the most thorough tests it was discovered that this clay was equal to the very best imported for use in making the finest grades of chinaware.

Of course this discovery led to a close investigation as to just what we had in the clay line in various parts of the State and the area of the various deposits.

This brought to light the fact that in the counties of Putnam and Lake, together with one or two other counties, there were large deposits of what has proved to be as fine clay as any yet discovered in the world.

Like the phosphate industry, which has been and is so considered by the people of this State its salvation, and which has poured its millions, and is yearly putting hundreds of thousands, of dollars into the pockets of our people, the fact that we had a very superior quality of kaolin has led to the placing of capital in lands and the erection of plants for preparing the clay for market.

By reason of its superior merits it brings in the market from $1 to $2 more per ton than the imported article, but on account of its necessarily high price, by reason of distance from the potteries and high freights, it is only used in the manufacture of the finer grades of ware; consequently the demand even at present is limited to these grades and not to the common wares.

In Trenton, N. J., the imported clay with which ours has to compete can be, and is, sold at the regular price of not to exceed $12 per ton after paying an import duty of $3, which, if removed, as I now under-

stand is contemplated, will enable the miners from France and England to place their clay at $9 per ton with the same profit as now.

As it is said figures do not lie (though the figurer may), it is very easy to see just what the effect will inevitably be upon our Florida product in event this import duty is removed. At present the potters of Trenton have use for but very small quantities of our clay at $13 to $13.50 per ton when he can obtain the foreign article at $12. In East Liverpool, Ohio, I am informed by the potters that Florida clay at $14.50 meets with slow sale with the foreign clay at $12 per ton. (Please note the fact that foreign clay is quoted the same in East Liverpool as at Trenton, and that, too, after paying a freight of from $1.80 to $2 per ton, which shows conclusively that at the present it can be placed in Trenton for as low as $10 per ton at the same profit as at East Liverpool at $12; also that the ton on foreign clay is quoted as 2,240 pounds while our ton is but 2,000 pounds.

Some few weeks since, in answer to an inquiry of mine, I received from one of the leading potters of East Liverpool the information that it would be necessary for Florida clay, in order to successfully compete with the imported which sold at that price delivered at their warehouse, to put our clay on the market at from $10.50 to $12 per ton. It may be necessary to remark that there can be little hope of doing this in years to come, for it all lies in the hands of the railroads, to which I refer further on.

Not allowing anything for wear and tear on the plant necessary for preparing the clay for market, and which costs from $15,000 to $25,000, nor interest on a total investment of from $30,000 to $75,000, it costs from $4 to $5 per ton to prepare the clay for market and place it on board the cars, while the freight from various mines ranges from about $6.50 to $7, free on board at Trenton, and from $7 to $7.50 at East Liverpool, and these rates were only obtained after a continuous and well contested fight for the last two or three years with the transportation companies for low rates.

By these figures you can see at a glance just the condition and position the clay miners are in at present, and where they will be, or rather where they will not be, in event the present tariff is removed or even reduced. Even the prospect of this removal or reduction of the rate has, so I am informed, caused the shutting down of every mine in the State. The owner sits in his office waiting on Congress, while the laborer stands around with hands in his pocket waiting on the owner and the merchant, etc.

The clay we produce goes into the finer grades of chinaware, and the purchaser of this class of goods is not the man usually classed as one of the "masses" but of the "classes;" he is the man that is willing and able to pay his hundreds and thousands for the wares that suit his fancy, and is not the one that buys to fill a necessity.

If the potteries of this country are in a bad way financially, it can not be laid at the door of the men furnishing them with the raw material, as one can see at a glance there is too much of a contrast between the raw and the manufactured article.

Sincerely yours,

L. N. GREEN.

GERMAN POT CLAY.

(Paragraph 98.)

PITTSBURG, PA., *September 22, 1893.*

SIR: The duty exacted by the Government on German pot clays of $1.50 per ton on the raw clay and $3 per ton on the calcined clay does not at first glance appear unreasonable, yet when the amount of it used by some of the signers is fully considered (some of them using from 4,000 to 5,000 tons per year), the amount paid for duties is quite an item in these days of forced economical management in our line of business. The large amount of German pot or fire clay imported annually into this country is used, as your committee is no doubt aware of, almost exclusively in the manufacture of glass house pots and tank furnace blocks, and placed in melting furnaces for the manufacture of all kinds of glass. Owing to the intense heat of these furnaces and the character of the material used in glass-making, the life of a pot or tank block at best is of short duration. The pots used in window glass or bottle furnaces will only average a life of from five to six weeks; the tank furnace blocks will, in certain places in the furnace, average from three to four months. Pots or blocks used in furnaces for making what is known as flint glass will last a longer time, from the fact that the composition or batch, as it is called, is somewhat different, not having the amount of flux or element which destroys the clay in it that others have. The life of a pot or block depends largely upon the quality of the clay used in it. A pot or block that does not remain in the furnace the average life often causes serious loss to the glass manufacturer. The unexpected breaking of it means not only the loss of the pot itself, but also the contents, as well as the loss of time to workmen and the consequential loss to the manufacturers before it can be replaced. Hence the desire on the part of the manufacturers to have these articles made from the best material to be had, even at an extra cost to them.

Long experience has taught them that for this purpose a pot or block made from the German clay is decidedly the best, no other clay known throughout the world giving the satisfaction that it does. The peculiar qualities of it being not only to withstand the intense heat, but also the attacks of the fluxes or alkalies in the composition at the same time to a degree no other known clay possesses.

It is true there is one concern in this country, and only one concern, which has been established for the past twenty-five or thirty years in St. Louis, Mo., who mine and wash a clay that is used to some extent by glass manufacturers in the manufacture of pots and blocks. The concern referred to, however, are also manufacturers of furnace blocks, and use their own clay in the manufacture of same with fair success. Their capacity, however, for supplying their clay to the glass manufacturers is somewhat limited, from the fact that their own works are supplied first with their products and only the surplus sold. This surplus, when used by glass manufacturers for pots or tank blocks, is used in nearly all cases in connection with the German clay. In very few cases is it used alone.

Large shipments of the German clay are being made continually to St. Louis and vicinity, to the glass manufacturers located there, notwithstanding they are located, in some instances, almost within a stone's throw of the mine where the Missouri clays are produced.

It is evident from this fact that they obtain much better results from the use of German clay, in part or in whole, or they certainly would not

use it at the additional cost through the high rate of freight, etc., if they could obtain satisfactory results from the clay mined almost at their own door. This statement can easily be verified, if desired; and if we are correct, would ask why we should pay a duty on the raw material in question. In speaking of raw material, please notice that we also include the calcined clay, as we can see no reason why it should not be classed the same as the raw clay. The burning of it is done simply to reduce the shrinkage of it before being used in pots or blocks. In the manufacture of pots and blocks certain proportions of calcined and raw clay are used, usually about two-fifths being raw and three-fifths burnt or calcined. This mix or batch is ground together, afterwards pugged or mixed, and then let stand for several weeks before it is molded into the different shapes required. The burning of this calcined clay will not cost more than from 50 cents to $1 per ton, and why the difference in the duty was ever made so great is past understanding, as is also the present small duty of $1.25 per ton levied on imported blocks, while the duty on the clay or raw material which these blocks are made from is $1.50 and $3 per ton, as above stated.

This is such a glaring injustice to the manufacturer of furnace blocks that it was probably done through a clerical blunder. If our petition for the abolishing of the duty levied on the raw material is granted, we feel that the small duty of $1.25 per ton levied on the manufactured article should stand as it is.

The raw and calcined clay we should by all means have free of duty. We can not obtain a similar clay in this country, and any duty we are compelled to pay on it adds to the cost of window glass, tableware, lamp chimneys, and all other articles of glassware, such as are in use in every household throughout the land. Take the duty off this clay and you deprive no industry and no class of workmen of any needed protection. While we advocate protection of American industry and American workmen where it is needed, we are surely not so weak as to require protection for the ordinary laborer in the mining of fire clay, even should a claim be made that we have or may have at some time in the future a clay that will fill the requirements for glass manufacturers. The long haul and consequent high rate of freight should be sufficient protection for the home producers of such raw materials.

Yours, very truly,

R. E. WOODS,
Secretary.

We, the undersigned manufacturers, hereby protest against the present duty we are compelled to pay the Government of the United States on importations of German pot clay, the present duty being $1.50 per ton (2,240 pounds) on the raw clay and $3 per ton (2,240 pounds) on calcined clay. We do not refer to or include any articles that are or may be manufactured from the said clay, but only to the clay itself. We are compelled to use large quantities of it in our business, owing to the fact that there is no clay produced in this country having its peculiar qualities suitable for our business, and can see no reason for the continuance of the present high duty exacted by the Government on it. We feel that an injustice is being done us in allowing it to continue, and that Congress should remedy it.

THE WILLETTS CO., and others.

PORCELAIN.

(Paragraph 100.)

STATEMENT OF MR. THOMAS C. SMITH, OF BROOKLYN, N. Y.

SATURDAY, *September 16, 1893.*

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: This is my first appearance before the Committee on Ways and Means, not that I have ignored action on the tariff, but it has been generally in a more quiet way, and I did not trouble the Committee on Ways and Means. I would not do so now, but the manufacture which I conduct has a peculiar condition which I think is not well understood, and I ask the privilege of explaining my peculiar position to have it better understood than it is now in this revision, if there is to be a revision on all branches of manufacture in this country.

I am a manufacturer of porcelain, commonly known as "China ware" in the English-speaking tongue, and is called "porcelain" by the Latin race, both meaning the same thing. I should like to make myself well understood, and go back a little in history considerably. I will state that the manufacture of wares, as we all know, is very old. The earliest record we have of it is in China two thousand seven hundred years ago—they had pottery ware, and there is the distinction—but they did not discover the method of making the vitreous body which is now known as porcelain, or China, until two thousand seven hundred years before Christ. That was the first manufacture of China ware we have any record of, and it was from that time to two hundred and six years before Christ before they discovered a method of producing from the earth a body vitreous all through, both as to the body and glaze.

From 206 before Christ to 1709 A. D. we tried to discover how to make this ware that was found to be so superior to all other wares which was brought over by Portuguese navigators now and again really as curiosities. In 1709 it was discovered by accident in Saxony, and there kept a secret for many years, but the secret, like other secrets which get out, had too many to keep it, and it got into France, Prussia, Austria, etc., and they began to establish manufactories to produce this newly discovered ware made from the earth, the simple earth and no admixture. All other wares have a metallic oxide in them. The difficulty to manufacture lay in its being purely and simply earth and nothing else. They established factories, but always by the Government, as its aid and patronage were ever made use of to bring that one manufacture into existence. It is the most difficult manufacture of any that is attempted; perhaps there is no process attended with so many difficulties as that of making porcelain. The other wares were made in large quantities, including wares of various kinds, and when the French, and Austrians, and Germans, etc., began to produce these wares upon the market the English were envious of the superiority of their wares and improved their own C. C. and granite wares, and improved them under various names, calling them sometimes porcelain china, stone china, iron stone china, and all those various names were given to the wares, to attach the name of porcelain to it to make it appear it was a superior ware.

Now, to come down to making these wares in this country. As we all know, there were factories in this country—very small and very few of them—prior to the tariff of 1861. After that, under the protection of that tariff, factories sprung up in all directions in this country, and I

had been somewhat connected with a manufactory, I being an owner, in a small way, accidentally, from having loaned a manufacturer some money; it finally fell into my hands. They made but little table ware. They made doorknobs and little shutter and drawer knobs, and such things of that kind. At the breaking out of the war the establishment failed, and it fell into my hands. I was in Europe when the second battle of Bull Run was fought, and I read the news there and made up my mind that all business I was engaged in was gone. They called that a porcelain factory. I did not know one factory from another, but I visited the French factories and became imbued with the idea I could produce porcelain in this country. There had been great many attempts to produce porcelain in this country. The first attempt was in Philadelphia, I think, and probably about thirty or forty attempts, but they failed. I got the impression that we could make porcelain in this country. I returned and experimented for two years, and in 1865 I placed the article of pure porcelain upon this market, and have kept it there from that day to this. I do not wish to be understood as claiming any particular merits for having done this. Perhaps the merit lies in what Commodore Vanderbilt called, in respect to his success, "main strength and stupidity." And I did it. The American people found this ware was competing with the earthen manufactures, and since then they have turned wares upon the market called Trenton china, stone china, stone porcelain, and American porcelain, etc.—American china under these various names. I do not wish to be understood as condemning these wares. They are not to be condemned; in my opinion they are ware deserving a position in the market, but they are not porcelain. They are very meritorious wares, and those gentlemen who have brought them forward deserve much credit; they have even forced the English manufacturers who have been manufacturing for hundreds of years in England to better their products to keep in the market, but none of them make porcelain. That is a particular ware which is the most difficult and troublesome ware to make. It has never been made in any country in the world without direct government aid and patronage. Factories were established by the Government in France, as we all know. But in this country there has never been any sort of recognition of producing that ware, except what benefit might be extended through the tariff, and there has none ever been asked for. We ask now no more than that the tariff under which we are laboring may not be disturbed. To disturb that tariff in our state of progress in that line of manufacture will be to wipe us out, for our conditions are so dissimilar from what they are in Europe. I will name a few of their conditions, so that you may see the difficulties under which we labor in relation to producing these wares.

In the first place, in Europe all the clays, spars, and quartz are taken from their deposits and manufactured into paste ready for the manufacturers' hands. The laws are such that if there is any portion of these pastes that do not stand up and burn precisely as bought and recommended that the manufacturer of the paste is at a loss for the damage to the product; hence there is no chemical knowledge and there is no machinery required. There is nothing in the world to do but to buy this paste prepared at hand and brought at the factory and put at their doors. We, on the contrary, have to be our own chemist, we have got to compound our products from the material we find as best we can understand it, and chemistry alone is of very little value. Chemistry, together with the great chemist of fire, the two compounds, is where we find out our results. This is the disadvantage under which we labor.

Then our clays in this country have not been such as we could make our best ware from, for the reason that there has not yet been discovered in this country until recently anything but sedimentary deposits, deposits washed by the waters into basins, etc., which takes its vitality from it, and those clays will not make a true and proper porcelain. There has been recently discovered a bed in North Carolina of feldspar that is a tertiary deposit, a deposit of clays rotted down. The ordinary clays of the earth will make common wares. The clays of New Jersey will make wares made in New Jersey, but you can not make porcelain with those clays. You have got to have clays produced from the disintegration of feldspar, which is called kaolin, a name taken from the Chinese. These clays must be had from somewhere in order to produce the article of porcelain, and then we have got to establish not only a manufactory of porcelain, but we have got to own mills to grind it. It cost me $30,000 to erect my mills for grinding, all of which is outside of anything we manufacture; so all of which is outside of anything that the manufacturer of Europe has got to have. Then we have to discover where the best material lies in the other States to combine and produce our results.

This thing is broadcast. The manufacture of all kinds of pottery benefits every State in the Union. For instance, before the recent discovery in Dillsboro, N. C., on this mountain you could have bought the whole mountain for $10, and which is now selling at a high price. I bought for the purpose of getting a superior kind of feldspar, the use of ground for my own uses, and paid $5,000 for 3 acres, and that farmer a year before would have sold the entire farm of 100 acres of land with good buildings on it for less than the 3 acres sold for when this was discovered, so that is one benefit of keeping these manufactories in existence in this country. Crowned heads have dabbled in the manufacture of porcelain as owners, and it has been considered the very acme of the fictile art, and I doubt whether it is to the interest of this country to disturb it in its infancy. I am alone. There are no other manufacturers manufacturing a pure vitreous porcelain body and glaze, homogeneous, no metallic oxide or boracic acid, or any other foreign substance used in the body or glaze. It is simply a thing of pure earth, and I am the only manufacturer; but I have been in hopes of others coming in and starting with me. They make good ware. There is excellent ware made in Trenton and East Liverpool, perhaps as good ware as is made anywhere, and those gentlemen deserve great credit in the way in which they have brought their manufactures forward, but they do not manufacture porcelain. We labor under difficulties that can not be surmounted in the ordinary manufacture.

I simply come before this committee and lay this state of facts before them, and it is for them to consider whether it is not worth while for this nation to hold on to a manufacture that will, if properly induced and have simply the ordinary fostering care of the tariff as it exists to-day, live and go forward and produce that much-coveted ware in this country.

Now, in regard to prices, I would like to state that in connection with asking the tariff remain where it is, I want to show that we do not ask that which costs the consumer in this country anything. In the low tariff of 1856, 1857, 1858, the ruling tariffs, there was no sort of difficulty in getting for a China cup and saucer $2.50 to $3 per dozen. The hotels could not get them for less than that. The tariff was then 25 per cent. The tariff is now 60, but to-day the same style cup and saucer, but a better one is produced, and I will thank any

gentleman in this room to give an order for a million dozen at $1 a dozen. The tariff is now 60 and it was then 25. So I could enumerate other articles. Take the article of dinner plates. When I first began to manufacture I sold dinner plates for $2.50 a dozen. We sell now the same style of plates, but a better plate, at $1 to $1.25 a dozen. Thus, you see, gentlemen, we are not asking that which will cost the people of the United States anything, for we have reduced the prices. I could go all through and enumerate articles by articles through our list which we have reduced since we commenced to manufacture China. It can be bought for less than one-half of what it was formerly, but it will rise to the same price again if we are thrown out of the market.

I believe I have said all that I care to say upon the subject. If there are any questions that any gentlemen wishes to ask I shall be pleased to answer them.

Mr. STEVENS. Is China clay and kaolin the same thing?

Mr. SMITH. Yes, sir; essentially they are, because the man when he says China clay means kaolin.

Mr. STEVENS. That is imported, you say?

Mr. SMITH. No, sir. We do import some because we can import a good quality of clay, not as good as the North Carolina clay, but we can import clay and save on a cargo of 600, 700 to 800 tons $3,000 or $4,000. It differs mainly in the freight. Now, for instance, as regards freight, it is a thing very curious and I have put a note in my pocket taken from our books in regard to the prices we pay on freight; for instance, we pay on freight from Cornwall, England, $2.16 per ton, and we will pay on freight from Dillsboro, N. C., $5.13. There is $3 a ton difference in freight alone. There is a $3 difference per ton on the China clay, which I would like this committee to retain for through that we can get our best clays discovered and can use them. If we did not keep that duty upon it, it will shut the clay beds up and we will shut up, because that is another peculiarity in relation to our manufacture. I can not manufacture my ware from imported clays for the reason that German and other clays lie too far interior. The clay of Cornwall will not make first-class porcelain without an admixture of our own clay with it. My grade of ware would run down if I used other than Dillsboro clay.

Mr. STEVENS. There is a large consumption of China clay or kaolin for other purposes, which is imported?

Mr. SMITH. There is much kaolin used for other purposes. The papermakers are consumers of clay, especially for paper boxes, but it is not a very high-priced clay.

Mr. STEVENS. We import China clay for other manufacturing purposes?

Mr. SMITH. Oh, yes; American competitors use a good deal of clay, but they get a very cheap clay. So long as it stands up well they get this clay at a half—well not over one-third—of what it costs to get our clays at.

Mr. STEVENS. Regardless of freight the clay of North Carolina is better than the Cornwall clay?

Mr. SMITH. Better by far.

Mr. STEVENS. Are they digging it out in North Carolina?

Mr. SMITH. Yes, sir; they have gone forward with it.

Mr. STEVENS. You want a duty on the China clay?

Mr. SMITH. We want a duty on the China clay. Though it might be called raw material to me, but it is not raw material to the man who

gets it out when you get the raw material. I know of nothing which is raw material except the mountains.

Mr. STEVENS. I do not understand why you want a duty on China clay when there is better duty, except the difference of freight in the difference between the Cornwall and the North Carolina clay?

Mr. SMITH. Simply to give you a little idea of how clays have worked in this country. Seven years ago you could not buy a pound of first-class clay; the best kaolin then known came out of Hockessin Valley, Pennsylvania. That was a sedimentary deposit, not a first-class article, but it was the best we could get and we were using it and that clay was covered with 50 or 75 feet of superincumbent earth which we had to remove, and the lowest price we could get it for was $20, and we could import, by paying $3 duty, good clay from Cornwall at about $12.

Mr. STEVENS. What do you say about Connecticut?

Mr. SMITH. That is not clay, that is a pure feldspar and quartz.

Mr. PAYNE. How long has it been since this North Carolina clay was discovered?

Mr. SMITH. It is not more than seven or eight years since they began to find it. They first struck that clay hunting for mica. In the eastern States they did not have mica enough and they were trying to get it in North Carolina, and in going there and digging over the mountains to discover beds of mica they found this.

Mr. PAYNE. You say you use that clay in the manufacture of china or porcelain?

Mr. SMITH. Yes, sir; mica you know is ——

Mr. PAYNE. I know about that.

Mr. SMITH. Feldspar, quartz, and mica are constituents of granite rock and they have tumbled down, the mica going one way, the quartz another, and the feldspar another.

Mr. PAYNE. Did you say you advanced the price of the land containing that clay since you bought some of it?

Mr. SMITH. No, sir; I did not.

Mr. SMITH. Do parties own any of it?

Mr. SMITH. Yes, sir; there are others competing for those clays. Those mountains which were worth nothing ten years ago are valuable now.

Mr. PAYNE. Would not that induce other parties to go into the manufacture of porcelain ware?

Mr. SMITH. I did not quite catch your question.

Mr. PAYNE. Would not that induce other parties to go into the manufacture of porcelain besides yourself?

Mr. SMITH. I should think it would.

Mr. PAYNE. Where do you manufacture?

Mr. SMITH. At Brooklyn, N. Y.

Mr. PAYNE. The Onondago Company, what sort of ware do they make?

Mr. SMITH. They make the ordinary earthenware, a superior grade.

Mr. PAYNE. Have they got very fine clay there?

Mr. SMITH. No, sir; they have got no clay that is as good as the clay of New Jersey. They buy some imported clays.

Mr. PAYNE. Their product is a very superior quality?

Mr. SMITH. Their product is an excellent product, and they take a great deal of pains to get their products into the best possible form. In my mills I think my material is ground finer than anybody else, and the Onondago Pottery Company pay an extra price for grinding grades they use because it is ground finer and selected closer.

Mr. TURNER. Where is your pottery?

Mr. SMITH. In the northern district of Brooklyn, what used to be called Green Point.

Mr. TURNER. Do you say that your product is superior to the French product?

Mr. SMITH. Oh, no, sir; I beg your pardon. I do not attempt to equal this thin egg-shell ware. I make nothing finer than hotel ware, first-class hotel ware. It is useless for any one to try to surpass the French in the art.

Mr. PAYNE. The Haviland's of New York are much interested in it.

Mr. SMITH. They have a large factory in Limoges. It is beyond the ambition of any human being to surpass their ware.

Mr. TURNER. How are they progressing in the manufacture of china ware in New Jersey.

Mr. SMITH. They do not make it there. They make a superior quality of earthen ware.

Mr. TURNER. Did you observe the discussion that was had in the House during the Forty-seventh Congress on this question of china ware.

Mr. SMITH. I did. I was much misrepresented in that discussion, but I did not stop to correct it, for I presumed that the tariff over their exertions would be satisfactory to me, and it was with one exception. I urged and demanded of those gentlemen to let the tariff alone and not for me to become a mark for the public to shout at about increasing the price of the poor man's breakfast table. The tariff was enough as I considered it, but they raised it, although I considered it a great mistake to raise the tariff at that time.

Mr. TURNER. You have noticed some ware displayed on the floor of the House as samples of American china.

Mr. SMITH. Yes, sir.

Mr. TURNER. Some gentlemen stated it could not be told from the imported article.

Mr. SMITH. To the inexperienced that is so, but to the experienced it is not so.

Mr. TURNER. Having a species of American pride myself, I bought a set of the American china on that occasion, and it fell to pieces, my wife told me, on the shelves.

Mr. SMITH. You did not get china. I am sorry to say that is a mistake on the part of some of our manufacturers to manufacture earthenware and sell it as china.

Mr. STEVENS. What proportion of china clay imported from Europe is used in your ware?

Mr. SMITH. We import about half we use simply because it makes equally as good ware and saves us money.

Mr. STEVENS. You did not get my question. The raw clays which are imported, the china clays which are imported, what proportion of it is used in the wares that are manufactured in this country?

Mr. SMITH. No one makes my style of ware except myself.

Mr. STEVENS. Is it not used by other people in making different wares?

Mr. SMITH. They do some imported clays precisely as I do.

Mr. STEVENS. Do you know what proportion of the amount used is imported?

Mr. SMITH. I could not state what proportion. I think that the wares of Trenton and East Liverpool use a small proportion; I do not think it amounts to much of foreign clays in their wares at all.

Mr. STEVENS. Is not there a large amount of china clay imported here for other purposes.

Mr. SMITH. A very large amount. There is a very large amount, but over one-fourth of the so-called china clay is common clay and not china clay.

Mr. STEVENS. For what purpose is it used?

Mr. SMITH. Paper.

Mr. STEVENS. Then the amount that is used in your wares is comparatively small?

Mr. SMITH. Comparatively small in proportion to the whole amount imported into this country; yes, sir.

Mr. PAYNE. The product from the East Liverpool and Trenton factories has improved very much in the last ten or twelve years?

Mr. SMITH. Very much indeed, sir. I think the gentlemen deserve a great deal of credit for the way in which they have persevered and conducted their factories.

The CHAIRMAN. Do you get any of your clay from Pennsylvania or Delaware?

Mr. SMITH. We did get clay from the Hockison Valley, but that was a sedementary deposit and we dropped it as soon as we got the original deposit, that being so much better.

The CHAIRMAN. Is there any clay in South Carolina also?

Mr. SMITH. Yes, sir; there are enormous beds of it, but that is all sedementary deposit, that is the deposit has a condition washed out by the washing of the water, so it is refractory in the fire and you can not get fire enough under South Carolina clay to smelt it and make your compound of it. It stands up against all fire you can make, whereas the North Carolina original tertiary deposit works and yields beautifully in the fire.

Mr. BRYAN. How long have you been in this business?

Mr. SMITH. Incidentally I have been in since 1856, but it was 1865 before I produced china ware and put it upon the market.

Mr. BRYAN. Have you been making the same kind of ware since 1865?

Mr. SMITH. Yes, sir; the same kind, but better; it is the same grade.

Mr. BRYAN. You say during all that time no other person started in the same business?

Mr. SMITH. No, sir.

Mr. BRYAN. You have had a tariff upon your kind of ware?

Mr. SMITH. Yes, sir.

The CHAIRMAN. And during nearly thirty years you have been manufacturing and have had no competitor?

Mr. SMITH. No competitor, no one.

Mr. BRYAN. De you ——

Mr. SMITH. Let me correct that. Every man who makes a piece of ware in one respect is a competitor, and if I am starting a hotel and you are starting one you might say earthenware is good enough for you and hence you are not going to buy the china ware.

Mr. BRYAN. I mean of the same kind of ware?

Mr. SMITH. No, sir; there is no other manufacturer in the United States.

Mr. BRYAN. Do you think if the tariff is continued on your goods it will bring other industries of the same kind?

Mr. SMITH. I think it should do so.

Mr. BRYAN. About what space of time do you think would be reasonable to get some of the same industries started?

Mr. SMITH. It is pretty hard to answer that question.

Mr. BRYAN. You have enjoyed this tariff on this product for nearly thirty years?

Mr. SMITH. Yes, sir.

Mr. BRYAN. You say the price has gone down in that time?

Mr. SMITH. Yes, sir; over one-half.

Mr. BRYAN. Do you think the tariff took it down?

Mr. SMITH. I know it did. It could not have been manufactured in this country; I could not have lived an hour except for the protective tariff.

Mr. BRYAN. Do you think the tariff has caused a reduction in price?

Mr. SMITH. Entirely so. Nothing else in the world.

Mr. BRYAN. You want the tariff continued because you want prices reduced?

Mr. SMITH. No, sir; I want the tariff continued so that the foreigner will have that much disadvantage in placing his goods on this market, so that I will not be crushed out. By these different conditions that I have represented to you that they enjoy there they can manufacture there with the different price of labor, taking it altogether, at about one-half less than I can.

Mr. BRYAN. Then if there was no tariff the same kind of goods would be sold in this country for less than they are now.

Mr. SMITH. No, sir. They would be sold higher.

Mr. BRYAN. Why?

Mr. SMITH. Simply because I would be wiped out and they would have no competitor.

Mr. BRYAN. Then you think the only reason the price has been reduced is because of your competition?

Mr. SMITH. That is the idea—my competition. I grew by the tariff, and I could not have grown up and become a competitor but for the tariff.

Mr. BRYAN. And your one industry has regulated the price of that kind of goods all over the world?

Mr. SMITH. Not all over the world, but it has regulated the price of hotel china over the United States since 1875.

Mr. BRYAN. What would be the amount you have invested in that business in that time?

Mr. SMITH. About $300,000.

Mr. BRYAN. Are you the only stockholder?

Mr. SMITH. I am.

Mr. BRYAN. What was the quantity of money invested when you began the business?

Mr. SMITH. Well, it fell on my hands at a sheriff's sale. I loaned some money on it and it fell on my hands at $47,000 at the sheriff's sale, and that was simply I bid what the concern owed me. It was not worth that.

Mr. BRYAN. You took it and have now built it up to $300,000?

Mr. SMITH. Yes, sir. It has cost me over that.

Mr. BRYAN. You say that this industry could not be worked unless the duty is retained?

Mr. SMITH. No, sir; it could not. We live under two disadvantages: We have to pay American labor so much and we have to remove more superincumbent earth. Our mines do not lie as well as in Cornwall,

and we have to remove more superincumbent earth at a greater cost than they do in Cornwall.

Mr. BRYAN. You said you have paid $5,000 for 3 acres of land in Connecticut?

Mr. SMITH. Yes, sir.

Mr. BRYAN. And that before the deposit was discovered the whole farm was not worth that?

Mr. SMITH. No, sir; it was not.

Mr. BRYAN. What made that great increase in the price of those few acres?

Mr. SMITH. Simply because it was a bed of feldspar and quartz combined, the best discovered in the United States. I think it is an original formation come up from the bottom. It was found there in digging for mica. The old farmer, under the auspices of Prof. Brush, of Yale College, was getting specimens out of that for college purposes, and they induced this old farmer that what he did not get of mica they would make up if he would go forward and dig in this place. He dug in this place and he discovered this deposit of feldspar and quartz. I bought what he got out and then he made up his mind to sell it, and in competition between the Trenton people and myself I had to pay $5,000 for this piece of land which would have sold for $75 twelve months before.

Mr. BRYAN. Is that clay below the surface?

Mr. SMITH. It is not clay, it is feldspar and quartz.

Mr. BRYAN. Well, that then. Is that below the surface?

Mr. SMITH. As I said a moment ago, I believe this is an original upheaval from the bottom.

Mr. BRYAN. How far down do you have to go to find it?

Mr. SMITH. Oh, there; it is within 5 feet of the surface.

Mr. BRYAN. What does it cost to take that out of the ground?

Mr. SMITH. It costs — there is no tariff on that, you understand, and we do not want any. Not at all. We have got the best feldspar and quartz in this country.

Mr. BRYAN. That can be produced without a tariff?

Mr. SMITH. Not only that, but we have calls for it from abroad; we get it far better than they can produce.

Mr. BRYAN. Does it cost you any less to make a dozen plates to-day than in 1865?

Mr. SMITH. Oh, yes; sir.

Mr. BRYAN. How much less?

Mr. SMITH. Well, it costs me 50 per cent less at least.

Mr. BRYAN. What does it cost you now to make a dozen plates?

Mr. SMITH. That is getting it down finer than I can.

Mr. BRYAN. You know what you sell them for?

Mr. SMITH. Yes, sir; I do.

Mr. BRYAN. A dollar and $1.25?

Mr. SMITH. Yes, sir; we do.

Mr. BRYAN. Can you tell the committee what it costs to make those plates?

Mr. SMITH. To tell you what it costs to make that particular article comes down to a fine point.

Mr. BRYAN. If you know for what you sell it can not you tell what it costs?

Mr. SMITH. I can tell of the general manufacture, but hardly down to special plate, cup, or saucer.

Mr. BRYAN. Can you approximate the cost of a dozen plates which you are willing to sell at $1.25?

Mr. SMITH. Of course I can.

Mr. BRYAN. What is your best judgment?

Mr. SMITH. Our approximation is that if we do not get 25 per cent on our products we are not being paid.

Mr. BRYAN. Over and above the cost of the product?

Mr. SMITH. Yes, sir; if we do not get that we can not run our factory, because you must recollect in that line of production it is very different from a mercantile transaction. You take $300,000 and put it in a mercantile transaction and you can turn it over ten, fifteen, or twenty times in a year, but you can not turn ours over once.

Mr. BRYAN. Do not you think that the fact that these goods cost you less to make them than they cost in 1865 has had something to do with the fall in the prices?

Mr. SMITH. My dear sir, I could not have met the foreign competitors if I had not bettered my appliances, and got different appliances, and got myself in different shape, and all that sort of thing; otherwise they would have wiped me out.

Mr. BRYAN. Then you were compelled to improve your machinery because of foreign competition?

Mr. SMITH. I was compelled to improve my methods because the foreigner would not give up this market without a struggle, and I found when I first began it took all the money I could get, because I had to learn my trade.

Mr. BRYAN. Then the foreigner has made you come down with your prices instead of you making him come down?

Mr. SMITH. If I had been out of existence the foreigner would not have come down.

Mr. BRYAN. But the fact is you said here you made him come down in the price and the result is we have all enjoyed the benefit.

Mr. SMITH. That is it, the competition.

Mr. BRYAN. Now, having brought down the cost of the product to a point you have brought it to, if you should go out of existence would the cost of the product rise again?

Mr. SMITH. Yes, sir; if you take competition off prices will go up always.

Mr. BRYAN. Will the selling price or the cost of the product go up?

Mr. SMITH. The selling price will go up.

Mr. BRYAN. So that the price would go up to where it was before?

Mr. SMITH. I can not say it would, but the foreigner would reap the advantage of no competition in this country for his particular goods and he would charge more for them.

Mr. BRYAN. Is that your reason for wanting this?

Mr. SMITH. I want the tariff kept where it is. I ask for neither a rise nor ask for a fall. I do not care about a 5 per cent fall back to where it was, 45 per cent. I am content with any reasonable thing, but in regard to taking and putting that tariff down to what is called a revenue tariff, whatever that may be, that would wipe me out.

Mr. BRYAN. You stated awhile ago you were opposed to raising the tariff at a former time?

Mr. SMITH. Yes, sir.

Mr. BRYAN. For fear it would make this industry marked?

Mr. SMITH. Yes, sir; for fear of making the cry that has been created of increasing the poor man's breakfast table.

Mr. BRYAN. But the tariff was raised in spite of your protest?

Mr. SMITH. Yes, sir.

Mr. BRYAN. Would you be willing to have it go back to where it was before?

Mr. SMITH. Yes, sir.

Mr. BRYAN. What was it then?

Mr. SMITH. There was a duty then upon inland charges and 45 per cent.

Mr. BRYAN. So you would be willing to have it go back to that?

Mr. SMITH. I have no objection.

Mr. BRYAN. You do not like, in other words, to have a tariff that might attract attention?

Mr. SMITH. I did not at that time wish to have it put up so it would attract attention because that called attention to us, and we were never spoken to or anything said to us until after the tariff was put up, and then we were charged with increasing the prices of the poor man's breakfast table.

Mr. BRYAN. Do not you think it is quite important that public attention should be called to the tariff which manufacturers enjoy?

Mr. SMITH. I do not; I think that neither public attention nor politicians' attention should have anything to do with an industry of the country. I think it should be run without the interference of politics or politicians.

Mr. BRYAN. And when you get a good thing you ought to be allowed to keep it without having any attention called to it?

Mr. SMITH. I will answer that good thing by stating that in the last five years I have not made 2 per cent upon my capital. I could have gotten more out of my capital in almost any other way.

Mr. BRYAN. That is between 1865 and 1888?

Mr. SMITH. I made more money then than ever since.

Mr. GEAR. By loaning it to banks you could have gotten 10 per cent?

Mr. SMITH. I have not got 10 per cent within the last five years.

Mr. BRYAN. Do you think the price has been reduced by the tariff of 1890?

Mr. SMITH. No, sir; it has gone neither up nor down. I never moved my prices the least in consequence of that; I could not do it.

Mr. BRYAN. Was the tariff on your particular goods raised in 1890?

Mr. SMITH. No.

Mr. BRYAN. It is just the same?

Mr. SMITH. I think so, but I would not speak square to the cord, but I think it was not. At all events I paid no attention to it.

Mr. PAYNE. The change made in 1883 was leaving off the inland charges and making the import a larger percentage?

Mr. SMITH. That is the idea.

Mr. PAYNE. Really, was there any difference in the tariff?

Mr. SMITH. There was in the neighborhood of four or five per cent.

Mr. PAYNE. About that?

Mr. SMITH. There was a 4 or 5 per cent raise.

Mr. PAYNE. Now, your main competition after all comes from people who make a little cheaper grade of pottery, not quite as good as yours?

Mr. SMITH. We have a competition of that kind.

Mr. PAYNE. Do not they supply the main bulk of trade, the consumption?

Mr. SMITH. Which, the cheaper?

Mr. PAYNE. Say the Trenton and East Liverpool?

Mr. SMITH. Of course they make ten to my one.

Mr. PAYNE. They make the bulk of the pottery that is used in the United States?

Mr. SMITH. They do.

Mr. PAYNE. And yours is sold to hotels or rich people?

Mr. SMITH. That is the class; we can not sell for anything like their prices because it costs us more.

Mr. PAYNE. They are producing this class of goods which an ordinary observer can not tell from yours at a lower price, and of course that tends to keep down prices both on your article and the foreign manufacture?

Mr. SMITH. Certainly; necessarily so.

Mr. PAYNE. And they could not live; the other potteries would be closed except for the tariff?

Mr. SMITH. Certainly they would.

Mr. PAYNE. So that we should be wholly at the mercy of the foreign manufacturer?

Mr. SMITH. If this tariff is materially lowered we will be at the mercy of the foreign manufacturer.

Mr. PAYNE. And there is the fiercest kind of competition between these manufacturers in Trenton, East Liverpool, and Syracuse and throughout the United States?

Mr. SMITH. There is the fiercest kind of competition amongst them all.

WHITE EARTHENWARE.

(Paragraph 100.)

EAST LIVERPOOL, OHIO, *September 14, 1893.*

SIR: Our firm has been in business over a year. We have given the business the closest attention and have run the business very economically, and can say we have had as few losses and as large profits as any firm in the business here. We have taken stock twice and the result both times has indicated that the profits are only ordinary.

Competition is very close. Some of it among our own people, but the worst competition we meet is the English trade. Why only this morning we had a letter from a customer saying he could buy for $5.50 what we were asking him $7.53 for. He said the goods offered at the price he named were of the best English make. Believing that the tariff is a protection to American industries, I have no hesitancy in saying that a reduction of the same would result in a corresponding loss to the American potter, which, if greater than could be borne by the manufacturer, would naturally have to be shifted onto the men in the workshops. If you could take a look over our books you would think like myself that there was a poor show to reduce the price of labor and give the laboring man a chance to live. We pay our unskilled labor $1.50 and skilled labor $2 per day, where we hire by the day, and where the work is done by the piece (I take the pay roll of September 2 for my guide) the men and boys earn from $1.75 to $12.50 per week in the pressing shops; journeymen dish-makers and jiggermen draw more money, but they have so much help to pay out of the $25 or $30 per week we pay them that they only have ordinary wages left for themselves.

JOHN W. HALL,
Secretary of East Liverpool Pottery Company.

PASTEUR FILTER.

(Paragraph 101.)

DAYTON, OHIO, *September 12, 1893.*

SIRS: We respectfully petition your honorable committee that in the revision of the tariff laws of the United States you place the filtering medium of the Pasteur germ-proof filter (and which is commonly known as "bougie" or "candle") upon the free list, and submit the following reasons in substantiation of our claims therefor:

It is a well-established fact that typhoid fever, malarial fever, cholera, cholorine, cholera infantum, diphtheria, and many other diseases are due to certain germ life, and that the cause of such diseases are nearly always traceable to the presence of these germs in drinking water.

How to obtain pure water for domestic purposes has been a serious problem for many years. It is well known that as countries become settled up the formerly pure spring and well water becomes contaminated with the excreta from persons and animals who live in their proximity. The building up of cities, towns, and manufactories on our water courses is polluting this source of supply also.

To purify water and free it from these danger elements we must look to some practical mechanical means. This has been accomplished by Dr. Chas. E. Chamberland, director-general of the Pasteur Institute, by the use of a peculiarly compounded biscuit, in appearance resembling unglazed porcelain. That this filtering medium will remove from water the germs of diseases is attested to by the ablest physicians and bacteriologists of this country and Europe.

Louis Pasteur, the great French savant, in whose laboratory this important discovery was made, wrote Dr. Chamberland at the time, saying, "This filter, invented in my laboratory, where its usefulness is put to test every day, knowing its full scientific and hygienic value, I wish to bear my name;" hence it is known as the Pasteur-Chamberland filter.

Surg. Gen. George M. Sternberg, U. S. Army, says, "I have tested the Pasteur-Chamberland filter and find it germ proof."

H. W. Austin, of the United States Marine-Hospital Service, says, "I regard it the most efficient and safest filter I have ever seen."

They have been tried and unqualifiedly indorsed as germ proof by professors of chemistry and hygiene in Cornell University, Yale, Harvard, the University of Michigan, the University of Pennsylvania, and elsewhere, and are to-day employed in the study of bacteriology in every important laboratory in the world.

All of the army posts of the French army are supplied with them, as are also the armies of continental Europe and the British army of India.

Mr. Freycinet, minister of war, in his report to the President of the French Republic, in 1892, said that since the introduction of these filters typhoid fever had been almost entirely overcome, and that the few cases occurring were readily traced to where the soldier drank unfiltered water in villages outside of the camp.

Epidemics of typhoid fever in this country have been stopped by the general use of the Pasteur filter, notably at Duluth, Minn., in 1891, where they were recommended by Profs. Formad and Marshall, of the University of Pennsylvania, and at Ashland, Wis., in 1892, recommended by Prof. Vaughn, of Michigan University. Many other

instances could be cited, and thousands of testimonials can be furnished if desired.

The great hygienic and scientific value of the Pasteur filter is established throughout the world. That it will remove from water the germs of typhoid fever, cholera, cholorine, malarial fevers, and other diseases incident to drinking impure water, is absolutely certain. The high price which we are compelled to charge for them alone prevents their nearly universal introduction.

Under the tariff laws of 1890, Schedule B, paragraph 101, has been classed by the collector of customs the filtering medium of the Pasteur water filter, known as "bougie" or "candle." This filtering medium is composed of ground biscuit of porcelain clay, or any granular earth substance which does not vitrify at a temperature of, say, 2,500° F., mixed in specified proportions with pipe clay, or any suitable plastic clay, and baked at a temperature of from 1,800° to 2,400° F., the object being to make a filtering medium which is of a uniform porosity and sufficiently fine to remove from water and other fluid microscopic organisms and all matters held therein in suspension.

The formula for this compound is protected in this country by letters patent of the United States, granted to Dr. Charles E. Chamberland, of Paris, France, director-general of the Pasteur Institute. The bougies are all made in France and imported into this country exclusively by the Pasteur-Chamberland Filter Company, of Dayton, Ohio, and are used only in Pasteur filters manufactured by it. They are not sold upon the open market, but are only sold in connection with Pasteur filters, or to replace such bougies as may become broken by use of those owning Pasteur filters. They are not, therefore, in any way in competition with a similar product manufactured in the United States, with the exception of a very limited number, which we contend are an infringement upon the Chamberland patents; two of such cases of infringement, and the most important ones, having already been decided in favor of said patents, and one of which was by the circuit court of appeals, the highest tribunal in patent cases.

Whilst we have always contended that these articles have been improperly classed under Schedule B, paragraph 101, because they are not what is contemplated in the language of the paragraph, as "china, porcelain, parian bisque, earthen, stone and crockery ware, and manufactures of the same, by whatsoever designation or name known in the trade," for they are not "ware," as applied to the articles enumerated in the law, nor are they known to the crockery and pottery trade as an article of merchandise. Nevertheless, the decisions of the Department have been against us. We have, therefore, been compelled to pay a duty of 55 per cent ad valorem, which cost has of necessity been charged into the cost of construction, and makes the retail price of the bougies come very high, viz, $1 each. By placing the bougies upon the free list they can be retailed at 60 cents each, and leave to the manufacturer and local agent substantially the same percentage of profit as now, thus making a reduction of 40 cents on each bougie sold, which already amounts to more than 50,000 a year in this country, used in filters and as repairs. We, as manufacturers, have been striving to reduce to the minimum the cost of production as well as the selling price, preferring to make a small margin of profit on a large number of filters, rather than a large profit on a few. The filtering bougies are the largest single item of expense, and inasmuch as they are not in competition with any manufacturer in this country, we respectfully

petition that they be placed upon the free list for the following reasons, viz:

First. Being protected by letters patent of the United States issued to a citizen of a foreign country they can not be made in this country, except with the consent of the patentee.

Second. Being used only in a single article of manufacture in this country they are not known to the pottery trade as an article of merchandise, and should not, therefore, be classed with the subjects specified under Schedule B, paragraph 101.

Third. Because by removing the tariff it will enable us to so reduce the cost of the manufacture and retail price of the completed filters as to place them within the reach of the majority of the citizens of this country.

Fourth. Because by the removal of the tariff it will enable us to reduce the retail price of bougies for repairs, thus making a saving to the consumer of about 66⅔ per cent.

Fifth. Because, being an appliance of great hygienic value, the United States Government should not levy a tax upon them to prevent their general use throughout this country.

We submit herewith for your inspection a bougie which is a sample of the filtering medium above referred to and is the article which is the subject of this communication. We also submit you herewith our illustrated catalogue, showing the various styles of filters which we manufacture. In these filters are used one or more of the bougies. The water to be filtered passes through the filtering medium from the exterior to the interior, and escapes through a small orifice at one end. The impurities of the water which are removed accumulate on the exterior, where they are readily removed by washing the bougie with brush and water, thus restoring it to its original porosity and efficiency, for the minutest particle can not enter into the filtering medium.

Very respectfully,

THE PASTEUR-CHAMBERLAND FILTER COMPANY,
By J. S. MILES, *Secretary and Treasurer.*

GREEN GLASS BOTTLES.

(Paragraph 103.)

THURSDAY, *September 14, 1893.*

STATEMENT OF LOUIS ARRINGTON, OF MASSILLON, OHIO, REPRESENTING THE GREEN GLASS BOTTLE BLOWERS OF THE UNITED STATES.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I shall not take up much of your time. I have prepared a paper which I will read:

MASSILLON, OHIO, *September 13, 1893.*

GENTLEMEN: In the proposal to reform the tariff now under consideration by your committee, in behalf of the Green and Amber Glass Bottle Blowers of the United States of America, I respectfully submit the following reasons why the present tariff on glass bottles should be retained:

The present prosperous condition of the glass bottle industry has been attained solely by the protection given our trade by the tariff acts of 1883 and 1890. Had not these acts given our trade additional protection, it would undoubtedly have passed in a great measure into the hands of the foreign manufacturer, but since 1883 the number of workmen employed at our trade west of the Allegheny Mountains has

more than trebled, and east of said mountains more than doubled. Yet in that same period the selling price of our principal product in the West—export beer bottles—has declined from $6 and $7 per gross to something less than $5 at the present time. Internal competition is so keen at present and the selling price of beers, water bottles, minerals, brandies, demijohns, carboys, hock and Rhine wines especially, so close that any reduction from the present tariff would fall entirely on the price of labor, demoralizing our trade and placing us entirely at the mercy of the foreign manufacturer.

Nor can I see that a reduction of the tariff would be of any benefit to the people at large.

The product of all our factories is disposed of in large quantities to brewers, beer bottlers, mineral and water bottlers, and wholesale medicine dealers, etc. If by a reduced tariff they should get the goods cheaper, they and they only would receive the entire benefit, as the cost of each bottle would be so small that it would have no appreciable effect on the price of the contents, which would be the same, and the public at large would receive no benefit.

An impartial consideration of our case will show conclusively that any reduction of the duty on glass bottles will benefit no one but the wealthy brewers, bottlers, and patent-medicine dealers, while, on the other hand, the entire labor class of the industry would suffer, from the manufacturer to the common laborer.

The present tariff on glass bottles is by no means exorbitant, when we consider the many reasons why glass can be produced much cheaper in Europe than we can hope to get it in this country, and the difference in the price of labor is certainly very substantial. One other reason why we can not compete in price with Europe is that from climatic conditions, the oppressive heat of July and August, all our factories are compelled to shut down these two months, while in Europe work goes on the whole year round, and in some cases work is actually continued on Sundays.

It is necessary that we have the present protective tariff to protect labor from such a condition of affairs.

I hereby show you the cost of production at one of the large glass factories of Germany, the Gresheim works, of Heye, and the cost of the same class of goods in Ohio, where glass is supposed to be made as cheap as it can be produced in this country.

Cost of production at Gresheim works—cost of making a gross of amber pint and quart bottles:	
Fuel, material, boxing, and supplies	$1.05
Labor, salaries, and blowing	.65
Total cost of production	1.70
Cost of production in Ohio—quarts:	
Fuel, material, boxing, and supplies	2.00
Labor, salaries, and blowing	2.09
Total cost of production	4.09
Cost of production of pints:	
Fuel, material, boxing, and supplies	1.44
Labor, salaries, and blowing	1.57
Total cost of production	3.01
Average cost of pints and quarts in Ohio	$3.55 per gross.
Average cost of pints and quarts in Germany	1.70 per gross.

LOUIS ARRINGTON,
President.

Mr. ARRINGTON. (Presenting several samples of bottles.) I will refer you to the price of patent medicines. This bottle which I show you is Warner's Liver and Kidney Cure. That bottle can be produced at the factory for $3.75 per gross, at Rochester, N. Y., and for $4.05 a gross, including freight and discount. Last spring a year ago that bottle and contents was sold at $1. Last May or June the retail price was raised from $1 to $1.25, which would make the price per gross of that medicine to the general public $170, while the bottle costs only $4.04. That is a sample. That holds good on all articles made by our people.

Take a mineral-water bottle that a few years ago sold for $3.75 and $3.50, and the dealer will charge just the same for soda water. The general public gets no benefit. Neither does the manufacturer get any benefit in the reduction. According to the figures I have, I can show that it would necessarily compel a reduction of wages of the workingman, while the general public would get no benefit.

We have in the United States 85 plants which make that class of goods, and which employ from 200,000 to 250,000 people, depending for a livelihood on that industry alone. I have been in business for forty-one years, and I can say to you that I never saw glass bottles sell as cheap as they are selling to-day. If you go to the drug store to-day and get a prescription filled, they will charge you 5 cents for an ounce bottle. They can be produced for 95 cents per gross, which is not over one-half cent per bottle.

Mr. PAYNE. That is about 1,000 per cent?

Mr. ARRINGTON. I want to show you some figures. It was said that soda ash has never been as cheap in forty years as it is to-day. Here is what it costs to make a gross of quart bottles: The duty on soda ash is $5 a ton. It is $4.09, and without the duty it is $3.97. So you will see that it only is a difference of 2 cents a gross. What difference will that make to the people?

Mr. TARSNEY. What species of manufacture are you speaking about?

Mr. ARRINGTON. Quart and pint bottles worth $2.16 a gross.

Mr. TARSNEY. What do they sell for on this market?

Mr. ARRINGTON. I have stated the amount for which they can be purchased. Quarts were sold last year for $4.80.

Mr. TARSNEY. What is the duty per gross on quart bottles?

Mr. ARRINGTON. Two dollars and sixteen cents a gross. The duty on quarts is 1 and 1½ cents. On pint bottles, with a duty on soda ash, the cost is $3.01, and without the duty on soda ash it is $2.91. The difference is 10 cents a gross.

Mr. PAYNE. What is soda ash worth per ton now?

Mr. ARRINGTON. One and one-eighth cents a pound. In regard to cheapness, I would say that ten years ago we did not buy Mason fruit jars for less than $1.50 a dozen. That has been the price for several years. To-day you can buy all you want in Pittsburg, Philadelphia, and other cities at $1. Since the patent has run out they are lower, for that determines the price. They have come down $1 a dozen. It is not the bottle which makes it dear; it is the patent. The reduction of the present duty would not cheapen the product to the consumer. If you were to reduce the duty, it would simply go to the patent medicine man and the mineral-water man, and also to the bottler. My friend, Mr. Auth, has been at the trade for some fifty years.

Mr. AUTH. Forty-nine years.

Mr. ARRINGTON. We respectfully ask your honorable committee to retain the present duty on glass bottles. I can say to you that our fires are not lighted. There is not a factory to-day that is in operation. We should have gone to work on the 1st of September. We are not running west of the Alleghenies, nor east, because they are afraid you are going to take off the tariff. The manufacturers say they can not do anything, can not get any orders, and can not see their way clear to put the men to work, because it has gone forth from the dealers, brewers, and bottlers that there is to be a reduction in the tariff, and they expect to receive the benefit of it.

Mr. TARSNEY. That condition would exist no matter how high the tariff was, if they know there is to be some change in it, whether it were just or not?

Mr. ARRINGTON. It is the uncertainty of your action that is keeping us idle to-day.

Mr. TARSNEY. That does not enter into the merit of the question—whether there should or should not be a reduction?

Mr. ARRINGTON. The failure of the manufacturer to start his works depends entirely upon the action to be taken by this committee on the tariff. They are afraid to start their works, fearing a change. They can not afford to pile up stock, and the dealers will not give them orders at this time. They are holding back to receive the benefit of the reduction, because they claim on all sides that if the tariff comes down—and the manufacturers have notified us to that effect—the workingman's wages, skilled and unskilled, is to be cut down.

Mr. TARSNEY. Can you manage to live on the present duty?

Mr. ARRINGTON. Yes, sir. We only ask that the duty be not changed; that it be retained.

STATEMENT OF CONRAD AUTH, OF PITTSBURG, PA.

Mr. AUTH. Mr. Chairman and gentlemen of the committee, I have only a few words to say. All that I want to say is I have been working at the glass buisness for fifty years. I began in 1843. I have been working for one firm, Whitcomb & Co., of Pittsburg. During that time I have worked under low and high wages, and we have had our struggles with the manufacturers, and everything else. I can say that a high protective tariff has been a benefit to us. I am sure of it. We have got liberal wages since the tariff has been raised, and we have had less contention and more work. While the tariff was low the importers would crowd our manufacturers, and every year or two run in two or three shiploads of foreign goods. To-day we are idle. We have been idle six or eight months on account of the European importers.

It has caused us to form an organization, and we want to protect both the laborer and the manufacturer. Mr. Whitcomb and I are intimate friends, and he has told me again and again that he was in favor of organization. He said it was a benefit to the business. We would ask this committee and Congress not to interfere with the tariff at this time, because I do not think the country is in a condition to stand any worse times. I hope you will not create any more foreign importations.

Mr. DALZELL. You think protection is good in your line of business?

Mr. AUTH. Yes, sir.

Mr. DALZELL. But still you presist in voting the Democratic ticket?

Mr. AUTH. Yes; I can not help it; I am built that way.

Mr. PAYNE. You do not interpret the last Presidential election as an overwhelming victory in favor of free trade?

Mr. AUTH. I do not know; I do not think our President is a free trader.

Mr. REED. The majority of this committee entertain the same fear you do.

Mr. AUTH. I hope that they will not be deceived. I have always followed our old friend Sam Randall as a Democrat; I used to school under his advice. I think I represent about 30,000 to 35,000 people, skilled laborers. It requires four to five years to learn our trade. I think it ought to be protected. I think an American mechanic ought to make liberal wages. If a man has to work a lifetime in a trade, he ought to get something out of it. I do not think it is fair to bring us down to the level of European labor. If we are to work at European wages it will be degrading. We have come here to try to lift labor up.

GREEN GLASS.

(Paragraph 103.)

UNITED GREEN GLASS WORKERS' ASSOCIATION,
St. Louis, Mo., September 14, 1893.

SIRS: We, the members of Branch No. 5, Glass Bottle Workers' Union of the United States and Canada, at a meeting held on the 10th of September unanimously resolved that,

Whereas it is evident Congress is about to revise the tariff on glass;

Resolved, That we request our Representatives to protest before the Ways and Means Committee in our behalf to prevent any reduction on glass bottles. As it is now they are imported to a great extent, and they could all be made in this country. The works are idle and will remain idle until the question is settled definitely. Any reduction will not only reduce our wages, but drive many, if not all, firms out of the business.

Respectfully,

J. MCCAULIFFE,
P. A. FARRELL,
J. L. FOOT,
Committee.

FLINT AND LIME GLASS.

(Paragraph 105.)

STATEMENT OF MR. GEORGE W. BLAIR, GLASS MANUFACTURER, OF PITTSBURG, PA.

Mr. CHAIRMAN: We appear as a committee representing the American Association of Flint and Lime Glass Manufacturers, an organization embracing some fifty-two firms engaged in the manufacture of glass tableware, lamps, and lamp shades and globes, and the various kinds of lamp chimneys. We have had serious competition in certain lines of our manufacture, especially opal shades, lamp chimneys, and fine cut ware and light blown ware, from the importation of this class of goods from foreign countries.

We asked for a duty sufficient to afford us protection in the McKinley tariff bill, but were only accorded a slight increase in the duties over the then existing rates. We experienced no appreciable benefit from this slight increase, but, upon the other hand, the competing goods came in and were sold at old prices, and in some cases the prices were reduced.

We appeal to your honorable body that if we can not have the protection asked for in our efforts before the McKinley committee, that at least the present rates be maintained, as while the "ills we have are hard enough to bear," we feel that any reduction would make matters proportionately worse.

Within the last few years lamps known as "center draft" have been introduced into general use and are now selling in large quantities. The foreign manufactures have commenced sending into our markets chimneys for this class of lamps, and at prices we can not compete with and have any margin of profit whatsoever.

We beg to say that any reduction in existing tariff rates will be followed by still lower prices on these imported goods, which would in turn force us to reduce the price of skilled labor.

In our industry, as in most others, our inability to compete with foreign goods is almost wholly due to the difference in the price of labor. The difference in labor paid in foreign countries and ours is relatively as follows:

In Austria and Bohemia the workmen get $1 per day where our people make $4 per day, the foreigners working an average of twelve hours, while ours will not average more than eight. In Germany and Belgium the workmen get $1 per day where we pay $3 per day, and in England $1 per day where we pay $2 per day. These figures are used to show the relative difference, not the actual wages paid.

In all the controversies with our workmen the association we represent has never been in favor of reducing the price of labor, believing that well-paid labor is the basis of the continued prosperity of our country, and that anarchism and socialism have no greater foe than well-paid labor.

We could have submitted specimens of the various kinds of chimneys, shades, etc., which are imported so largely, and also have furnished statistics showing quantity made in this country and the quantity imported, but thought it unwise to take up your valuable time.

As stated before, we represent fifty-two firms that furnish employment in the aggregate to 25,000 to 30,000 people. Nine-tenths of our factories are now idle, owing largely to the apprehension existing as to what action your honorable body will take on this (to us) all-important question of protection.

In their interest and behalf we submit this statement.

GEO. W. BLAIR,
DANL. C. RIPLEY,
Committee.

Mr. PAYNE. Has there been any advance in the price since the act of 1890?

Mr. BLAIR. No, sir.

Mr. PAYNE. Has there been any reduction in the price?

Mr. BLAIR. There has been a reduction in certain goods in which we attempted to compete with imported goods, certain lines in which we had this additional tariff duty. A number of manufactures tried to establish this, and sold at lower prices than before.

Mr. PAYNE. As to the portion of your manufacture where duty was increased, or where the duty remained the same, prices have been the same since 1890?

Mr. BLAIR. The goods on which we had an additional protection were only some fine goods. It seems that foreign manufacturers, when they discovered an effort on the part of our people to take an industry from them, made special efforts, even at a loss, to put prices down and drive us out. This attempt was made in certain classes of goods having additional protection.

Mr. PAYNE. I suppose you make all lines of lamp chimneys?

Mr. BLAIR. Yes, sir; and tableware, light and plain ware, and cut ware.

Mr. PAYNE. I think somebody claimed to have done some export trade in lamp chimneys?

Mr. BLAIR. It was very light.

Mr. PAYNE. I believe those lamp chimneys were sold for certain patented lamps which had been taken from this country?

Mr. BLAIR. Most likely so.

Mr. BYNUM. Mr. Macbeth exports largely, I believe?

Mr. BLAIR. He exports only to a very limited extent.

FLINT GLASS.

(Paragraph 105.)

AMERICAN FLINT-GLASS WORKERS' UNION, PITTSBURG, PA.

SIR: Our workers are unanimously in favor of higher duties on glass embraced in the paragraph above designated—not a prohibitory tariff, but a tariff sufficient to cover the difference in cost of labor and material between the United States and those competing foreign countries whose labor and material cost least.

They favor a specific rate rather than a compound rate or an ad valorem rate, and a compound rate rather than an ad valorem rate, as affording the most permanent protection to home industries.

Their reason for this preference is this: The labor of those foreign countries which are our greatest competitors in glass being unorganized, can not protect itself against reductions in wages. The cost of foreign goods being uncertain, an ad valorem duty depending on that cost must necessarily be uncertain as a measure of protection.

A higher rate of duty on glass—that is, a rate amply sufficient to protect the home industry—does not necessarily increase the cost of glass to the consumers. That this is true is shown by the prices at which pressed tableware is selling to-day.

There is little, if any, foreign competition on that class of goods; yet home competition, and home competition alone, has reduced the prices of tableware to the consumers to the lowest figures that the glass has ever been sold at in the history of tableware.

If we can not have a better duty on glass, particularly on thin-blown tumblers, molded chimneys, and shades, then our workers protest against any change in the present law which would reduce the duty on glass as being calculated to reduce their earnings or deprive them of employment.

The cost of labor in German countries, from which the great bulk of molded chimneys, shades, and thin-blown tumblers are brought into this country, is about 33 per cent of the cost in the United States; material is about 75 per cent of the cost in the United States.

These immense advantages have enabled importers to lay glass down in New York, duty paid, at prices approximating the cost of manufacture in the United States. The effect was to reduce wages in some instances and in others to deprive American workmen of employment. Manufacturers ceased to manufacture and bought imported goods because they could buy cheaper than they could manufacture.

The present law improved the condition of glass workers, but even the present law was not sufficient to make an improvement in their condition in some departments until they themselves had aided the law to reduce foreign competition.

This is notably true in the working of thin-blown tumblers. The rate asked by us on this class of goods was 10 cents per dozen and forty per centum ad valorem. Our request was denied and a lower rate estab-

lished. Finding themselves deprived of work to some extent by foreign competition our workers voluntarily reduced their own wages, and as a result but few thin-blown tumblers are brought into the country. The trade on that class of goods in this country has grown from one million dozen to four million dozen annually, while home competition has reduced their price to the consumers far below the figures that prevailed when the trade was in the hands of importers.

From the present proceeds of the sale of thin-blown tumblers labor is certainly receiving as much as capital can afford to pay it, about 85 per cent, leaving the cost of material and other items to be paid from the balance.

Therefore, any reduction of duty on this class of goods must have the effect of reducing wages or depriving workers of employment.

In our shade department our workers have also reduced wages in the hope of reducing foreign competition, but foreign shades are still brought into this country to the extent of depriving our workers of continuous employment. Many manufacturers are importing certain kinds of shades, such as can be nested easily, because they can buy cheaper than they can manufacture.

Any reduction on this class of goods, therefore, will necessarily make the condition of the workers worse.

On chimneys we have increased our output to try to reduce foreign competition, but importers still hold the trade on some chimneys.

It is not right that American workmen should be compelled to reduce their wages below the means of a respectable living when Congress has it within its power to so arrange all the tariff schedules as to make reductions in wages unnecessary in order that home-made goods may successfully compete with the products of foreign countries.

The average yearly earnings of glass workers employed on the lines of goods designated in this communication will not exceed $11 per week—a bare subsistence.

We therefore pray that your committee will not make their condition worse by making any reduction in the present duties on glass.

Respectfully yours,

W. J. SMITH,
President.

MAGIC-LANTERN SLIDES.

(Paragraph 106.)

SIRS: I wish the duty to be taken off magic-lantern slides for the reason that they are educational and scientific; they bring the outer world home to the people. Most of the slides, full 95 per cent, are made in England and France, and there are only two or three firms that make them in this country as an article of trade, and it needs no argument of mine to prove their value to the people in general and to the children in particular. They are photographs, and the duty on photographs at present is 25 per cent; but magic-lantern slides are photographs on glass, so they are charged with a duty of 65 per cent. It would only be necessary for me to show you York's (of London) catalogue and then the catalogues of two of our larger dealers in magic-lantern slides to show you that the catalogue is made up almost entirely of the slides imported. I am myself a maker and dealer in magic-lantern slides in a

small way, it is true, but the duty on the slides hurts very much my trade; but independent of any personal matter their value to our schools, churches, and educational institutions should prompt the removal of the entire duty.

Yours, respectfully,

JEX BARDWELL,
Detroit, Mich.

SEPTEMBER 19, 1893.

WINDOW GLASS.

(Paragraph 112.)

WEDNESDAY, *September 13, 1893.*

STATEMENT OF R. S. MORRISON.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: We are importers of what is known as common window glass. That word "common" has followed the history of the tariff on our article for a long time. The duty, prior to 1861, was 15 per cent ad valorem. At that time Mr. Chase, who was Secretary of the Treasury, sent for the head of the house of which I am at the present time the senior partner, and asked what per cent of taxation could be carried upon window glass—that being needed to prosecute the war. The ad valorem duty put upon it was equivalent, specifically, to about 60 per cent of the duty on common window glass, according to its size. The history of the duty has always been in the direction of an ascending scale from 1883, and the present ad valorem rate runs from 110 to 150 per cent ad valorem. We have a brief statement to make in this connection, simply to present a very few facts in regard to the existing duty on window glass. We prepared for the use of the members of the Fifty-first Congress a statement, of which we have only one or two copies; the rest have been destroyed by fire. Among the results of that collation it is shown that ad valorem averages from 115 to 125 per cent. We have various statistics, from actual experience, one of the representative importers of 1892 running from 110 per cent ad valorem, and as high as 130 per cent in the experience of that house. I have also the experience of another house, showing that the ad valorem rate was as high as 148 per cent. This is actual experience, without covering the whole business of the house, from the first of January until through the month of August, showing the total exportation of 17 different invoices with rates of 110 to 130.

That is all we have to say in bringing before this committee the existing condition as regards the tax on common window glass. If there is anything further that will serve to enlighten your ideas, we will be glad to answer any questions.

Mr. DALZELL. What is it that you want?

Mr. MORRISON. We have no request to make in this matter except in a general direction. We have no detailed request to make, because I think this committee is sufficiently posted as to this matter. We would be glad to assist in any way we can.

Mr. DALZELL. You do not indicate whether you want a lower or a higher rate.

Mr. MORRISON. The natural conclusion would be that, if any change be made in the tariff, we are to have a lower duty. I made the statement that 15 per cent ad valorem had been the increase since 1860. It was increased during the war for the purpose of raising money, and had the coöperation and was suggested by those importers.

Mr. DALZELL. Do you know what relation the total consumption of the imported article bears to the home-made window glass?

Mr. MORRISON. About one-quarter of the consumption is foreign, and about two-thirds is home-made, or a proportion of 70 per cent to 30 per cent.

Mr. DALZELL. Is there any difference as to the wages on this side and those on the other side?

Mr. MORRISON. I have no personal knowledge of the rates of wages on the other side.

Mr. STEVENS. Is there any difference between the quality?

Mr. MORRISON. The imported glass is conceded to be of better quality.

Mr. DALZELL. The reduction of the duty, in your judgment, would increase the importations?

Mr. MORRISON. I think it is very likely.

Mr. DALZELL. And to that extent it would shut out the American product?

Mr. MORRISON. I do not know.

Mr. DALZELL. Naturally, it would?

Mr. MORRISON. I don't know to what extent the American product would meet the demand with the competition from time to time.

Mr. PAYNE. Do you compare the consumption prior to 1889 with the consumption of 1890?

Mr. MORRISON. There is no perceptible change, and there has been none for ten years.

Mr. PAYNE. Do you refer to importations?

Mr. MORRISON. The importations have been about 30 per cent of the total consumption.

Mr. PAYNE. I suppose that different sizes and qualities have been imported?

Mr. MORRISON. Yes, sir.

The CHAIRMAN. Where do you import your window glass from?

Mr. MORRISON. From England, but principally from Belgium.

Mr. DALZELL. Do you know the amount of American capital invested in this business, and the number of men employed?

Mr. MORRISON. No, sir.

The CHAIRMAN. Do you give any employment to American labor?

Mr. MORRISON. Yes, sir; our employment of labor is relatively large.

Mr. PAYNE. How large?

Mr. MORRISON. I suppose the importing houses of New York employ 1,000 men.

Mr. PAYNE. What kind of labor is that?

Mr. MORRISON. They are cutters and packers, and men who select the glass, and who are engaged in making up and executing orders, and, of course, laborers and handlers.

Mr. PAYNE. Has there been any increase in prices?

Mr. MORRISON. No, sir; the prices have remained steady for some time.

STATEMENT OF MR. VANHORNE.

The CHAIRMAN. Are you a manufacturer of glass?
Mr. VANHORNE. We are manufacturers of bent glass.
The CHAIRMAN. What is the duty on bent glass?
Mr. VANHORNE. There is no duty on that, except the same duty as on other glass before it is manufactured.
The CHAIRMAN. You bend it in this country?
Mr. VANHORNE. Yes, sir. Our works are at Newark.
The CHAIRMAN. How many employés have you?
Mr. VANHORNE. About twenty.
The CHAIRMAN. And you take the flat glass and bend it?
Mr. VANHORNE. Yes, sir; we take the flat glass, and the plate glass. Our raw material is flat plate or flat window glass. That, of course, is a taxed article. There is no protection on bending.
Mr. TURNER. Is there much labor in making the plain window glass?
Mr. VANHORNE. That I don't know. I am not a manufacturer of window glass.
Mr. TURNER. I believe it is generally done by boys and girls?
Mr. VANHORNE. That is done in the glass factories, and of course a certain proportion of girls and boys will be employed.
Mr. TURNER. You do not happen to know the per cent of cost in making the grade of glass which you have mentioned?
Mr. VANHORNE. Yes, sir; nearly one-half of the cost is labor.
Mr. TURNER. The cost on the other side is nearly one-half labor?
Mr. VANHORNE. Yes, sir; I can give you the exact figures if you wish them.
Mr. PAYNE. I would like to know if the labor is skilled labor that is required in making glass?
Mr. VANHORNE. The bulk of it is not.
Mr. PAYNE. The majority of it is, I think.
Mr. VANHORNE. I do not think it is.
Mr. PAYNE. This skilled labor is highly skilled, is it not?
Mr. VANHORNE. Yes, sir; the skilled labor employed in it receives good wages. The exact figures of the total labor in the manufacture of foreign glass is about 44.36 per cent.
Mr. PAYNE. Have you itemized the cost of labor in that estimate?
Mr. VANHORNE. There is the labor of blowing and flattening and cutting.
Mr. PAYNE. Are there not different prices for laborers?
Mr. VANHORNE. I have not them separated. These are the figures which I got abroad, and they are certified to by five of the largest manufacturers.
Mr. PAYNE. They did not give you the items?
Mr. VANHORNE. Not in detail; but it could be made.
Mr. PAYNE. Do you give the itemized expenses of the materials?
Mr. VANHORNE. The materials amount to about 31 per cent.
Mr. PAYNE. Have you those items?
Mr. VANHORNE. No, sir; the materials cost about 31 per cent, and the labor costs 41 per cent.
Mr. PAYNE. Of what is the balance made up?
Mr. VANHORNE. Expenses and transportation charges; those make 24 per cent.
Mr. PAYNE. How much is the transportation?
Mr. VANHORNE. Less than 4 per cent.
Mr. PAYNE. So that the boxing is over 20 per cent?

Mr. VANHORNE. Nearly 21 per cent.

Mr. PAYNE. Do you know how much labor is in that item of 20 per cent.

Mr. VANHORNE. I do not.

Mr. PAYNE. You have only the general result?

Mr. VANHORNE. Yes, sir; only the general result.

Mr. DALZELL. Do you indorse what the other gentleman has said as to the employment of 1,000 men in New York city, in reference to your importing business?

Mr. VANHORNE. Yes, sir; there must be fully that many.

Mr. DALZELL. You say that there are 1,000 men who are skilled laborers?

Mr. VANHORNE. No, sir; the bulk are not.

Mr. DALZELL. What do they do?

Mr. VANHORNE. Handle the boxes, select glass, and drive carts. The latter are laborers; the cutters are skilled.

Mr. PAYNE. Do you know what material is used in making glass?

Mr. VANHORNE. In making glass there is nothing used but sand and alkalies.

Mr. PAYNE. And soda ash. Do you know the percentage of soda ash?

Mr. VANHORNE. I do not.

Mr. PAYNE. Do you know what labor is required to produce soda ash?

Mr. VANHORNE. No, sir.

Mr. PAYNE. Do you know that the materials from which soda ash is made are crude in shape?

Mr. VANHORNE. I have been told so.

Mr. PAYNE. What else is used in making glass?

Mr. VANHORNE. Nothing else.

Mr. PAYNE. Nothing but sand and soda? Of course, it requires more or less work to get soda ash ready for the business.

Mr. VANHORNE. I presume so.

Mr. PAYNE. It does not come of itself, but must be prepared.

Mr. VANHORNE. It must be handled; there are a great many steamers required to bring it across, and men to handle it in New York.

Mr. DALZELL. You import your goods to the port of New York?

Mr. VANHORNE. Yes, sir.

Mr. DALZELL. Where are the largest importers of glass; in New York?

Mr. VANHORNE. Yes; and largely into Boston, Philadelphia, Portland, and most all the coast cities. A great deal comes to New Orleans and San Francisco.

Mr. PAYNE. Would you increase your importations 50 per cent if the tariff were increased?

Mr. VANHORNE. I hope so.

Mr. BRECKINRIDGE. Do you believe you could sell it cheaper to the consumer?

Mr. VANHORNE. Of course; it would make that difference. Fifty per cent off would not come to us.

Mr. BRECKINRIDGE. Then you are not a criminal if you are an importer?

Mr. VANHORNE. I hope not.

Mr. PAYNE. Nobody is a criminal, except the American manufacturer, who is a robber baron.

Mr. VANHORNE. If we reduce the duty, the American manufacturer

must go down to that price. We are not working for the American manufacturer, and we do not care for him. He has been after us for years. We do not care if he has to go out of business.

Mr. PAYNE. You would a little prefer, if he went out of business?

Mr. VANHORNE. Yes, sir; I hate him.

Mr. BRECKINRIDGE. What you really desire is to be able to sell glass to the American people?

Mr. VANHORNE. What I really desire, is to do business unhampered.

Mr. DALZELL. If you could get the American manufacturer out of the way, you could put your own price on glass?

Mr. VANHORNE. We have never had that chance yet.

Mr. DALZELL. But that is what you want?

Mr. VANHORNE: We always have had competition, and always will. That takes care of itself.

Mr. BRECKINRIDGE. There is no love lost between you and the manufacturer?

Mr. VANHORNE. No; they have done everything they could to hamper us, and drive us out of business. The high duty we pay now is the result of their efforts and annoyances.

Mr. PAYNE. What are those annoyances?

Mr. VANHORNE. The handling of glass. If the box is 50 feet and weighs over 55 pounds, we have to pay an extra duty, while nobody gets any benefit from it. The glass in it is not worth any more.

Mr. BRECKINRIDGE. Are you not both decent people?

Mr. VANHORNE. He is a nice fellow.

Mr. PAYNE. Then you do not mean to say that he is a robber?

Mr. VANHORNE. He ought to be. He has every chance to be, with the United States Government backing him up.

Mr. PAYNE. Then you are rather inclined to think that he is a nice man?

Mr. VANHORNE. He is a pretty clever fellow socially.

MONDAY, *September 18, 1893.*

STATEMENT OF J. A. CHAMBERS, OF PITTSBURG.

Mr. CHAIRMAN: Mr. F. L. Bodine, of Philadelphia, will present the subject of window glass. I would like to state to the committee that Mr. Bodine is hard of hearing, and his statement will occupy not more than thirty minutes and we would like for you to hear his statement through and then any information or any questions that the gentlemen of the committee wish to ask will of course be answered to the best of his ability.

STATEMENT OF MR. FRANK L. BODINE, OF PHILADELPHIA, PRESIDENT OF THE COHANSEY GLASS MANUFACTURING COMPANY OF NEW JERSEY.

I appear in behalf of the American manufacture of cylinder window glass, unpolished, and also for green bottle glass, amber, flint or lime, molded or pressed, which, though distinct industries, are closely allied and frequently carried on together.

As they are so nearly identical, and as the data are more accurate and accessible for window glass, my statements will specially refer to that, pointing out at the close the few points of difference.

I propose to give the reasons why duties, and at high rates—not pro-

hibitory—are necessary, and that such duties increase revenue, secure low prices to consumers, give employment to large numbers of workmen, develop other industries, and utilize very large quantities of raw materials—by raw materials meaning those existing in natural state and before any labor of man has been applied.

The statements made will be mainly from my own knowledge—a few from information, which can be verified.

Cylinder window glass, including crown and ground, is to be distinguished from plate glass, either rough or polished.

Cylinder glass is the kind generally used for building, except where heavy or very large glass is required, or as an attractive luxury. It is one of if not the largest of the several different classes of glass manufacture.

No country has advantages over the United States in the manufacture of cylinder window glass except such as are derived mainly from lower wages.

The best and cheapest methods of manufacture by continuous tank furnaces have been largely introduced here, and already in capacity amount to about half the active furnaces in the country.

The quality of the product of the best American makers is equal to imported glass, and can not be distinguished therefrom by experts when set in sash for use.

The capacity existing in the United States is greater than the largest consumption of foreign and American glass combined, and secures vigorous competition and lowest possible prices to consumers. No necessity or even justification exists for the importation of one box of window glass, yet imports now, and for many years, amount to from 25 to 30 per cent of the total consumption.

The manufacture of cylinder window glass, unpolished, is especially adapted to our conditions. Every material entering into its production is found or manufactured here abundantly and in widely diffused territory. It gives employment to large numbers of workmen, both skilled and unskilled.

The wages paid in digging and washing the sand, quarrying and grinding the limestone, cutting the trees and manufacturing into boxes, preparing the fire clay for use, mining the coal for fuel, together with the labor of transporting, all of which must be paid in addition to wages at the furnaces, amounts to 20 per cent of the total cost of finished window glass at the works.

Labor at the works in handling the materials, converting them into glass, and assisting the skilled labor adds about 20 per cent to the total cost. Wages paid skilled labor of a high class to finish the materials into merchantable window glass amounts to 45 per cent additional, making the amount paid for labor about 85 per cent of the total cost at the works, not including plant or interest on capital. Such large proportion of cost paid for wages is multiplied many fold in effect by supplying workmen the means to consume the products of the farm and to pay other labor for homes, clothing, and other necessaries and comforts of life.

So marked is the effect of building a glass furnace in any locality it is generally made the basis for establishing a town and improving the value of adjoining land through local demand for products of the soil.

Although cheaper wages are the main advantage of foreign manufacturers, there are others to be overcome. These are higher cost of plant (foreign costs being less than half the cost in the United States), low interest rates on investment both for plant and for active capital,

continuous work all the year, including Sundays, making three hundred and fifty days' product, while American manufacturers, being idle on account of hot weather from June to September, work but nine months, less Sundays, about two hundred and thirty-five days, a comparative loss of one hundred and fifteen days' product, so that foreign furnaces have 50 per cent longer run at the same outlay for plant, interest, and general expenses. Very large volume of business, secured by long establishment, quick, cheap, shipments to China, Japan, South America, and all parts of Europe and the world, whereby their general business expenses are distributed over a much greater amount. Preference of buyers for a foreign article and to continue old connections, and the custom of architects to specify foreign glass shall be used, although these are being largely overcome, still require inducement in price of American, even when admitting the quality equals the imported glass. These incidental advantages amount to more than is generally realized.

Besides the difference in original cost of plant the annual depreciation is larger, and also interest on the extra cost. The outlay for buildings and fixtures has been sunk, and as it can not usually be utilized for other purposes it must be charged off it a reasonable period as part of cost of product.

If depreciation charge be distributed over twenty years, depreciation will amount to 5 per cent per annum; add for lower first cost abroad and for taxes, insurance, repairs, and sundries 4 per cent per annum; interest on capital, 6 per cent per annum; total difference for depreciation, repairs, and for interest, 15 per cent per annum.

The cost of plant amounts to two-thirds of the total capital employed, so that these differences in favor of foreign manufacturer amount to 10 per cent per annum on total capital employed.

General expenses at factory and for administration and expense of selling combined average in the United States fully 10 per cent, being higher than in Belgium, fully 5 per cent of total cost, adding for depreciation and difference in interest, etc., of cost of plant, and interest on active capital, 10 per cent, makes fixed charges higher than Belgium fully 15 per cent of the total cost.

Nearness to consumers, which formerly was some offset for our disadvantages, no longer exists, being obliterated by quick cable orders at small cost, and by steam shipments at less cost for transportation from Antwerp to New York than from New York State, New Jersey, Maryland, or Pittsburg furnaces to the same point.

Furnaces for manufacture of window glass are distributed through fourteen States, from Massachusetts south, including Maryland, and west as far as Michigan, Kansas, and Wyoming.

The active capacity, including those operated last blast, and new furnaces building for work this blast, are located as follows, viz:

	Blowers.
Massachusetts	16
New York	176
New Jersey	220
Pennsylvania, east of Alleghenies.	36
Delaware	16
Maryland	64
Total east	528
Pennsylvania, west of Alleghenies.	812
West Virginia	12
Ohio	285
Indiana	578
Illinois	64
Missouri	16
Kansas	10
Michigan	10
Wyoming	8
Total west of Alleghenies	1,795
In addition there are not expected to run, or abandoned	569
Total capacity for United States	2,323

The product of the active furnaces (estimating double thick at proportion for single thick) for an average blast of nine months, or forty weeks, would be 5,600,000 half boxes per year, being as much as ever consumed of both foreign and American glass. The idle capacity could produce 30 per cent additional, and the imports average 25 to 30 per cent of the consumption. Short blasts for furnaces are therefore necessary, and vigorous competition secures very low prices, even below the cost of production.

The wages paid in the United States, compared with Belgium average per month as follows:

	United States—26 days' work.	Belgium—30 days' work.
Blowers for single and double thick	*$135	†$55
Gatherers, single and double	80	30
Flatteners, single and double	135	25
Cutters, single and double	100	25
Packers, single and double	40	18
Batch makers, single and double	45	16
Team drivers, single and double	29	15
Blacksmith, single and double	60	20
Clay treaders, single and double	32	15
Laborers, single and double	32	15
Roller carriers	36	‡6

*Average per month, 180 boxes. †Product, 220 boxes. ‡Girls employed.

Allowing for the different number employed in the various operations, the average in the United States is two and a half times or over 150 per cent higher than the price paid in Belgium. The wages in England do not average quite as low as in Belgium, but very much lower than in the United States.

Practically the only reason why duties on window glass are necessary is the very much lower wages in England and Belgium. No machinery being employed either there or here the manufacture must be abandoned unless our wages are reduced to rates same as paid by our competitors, or duties must be charged sufficient to equalize the difference, or foreign prices be permanently advanced at the expense of American consumers.

The least reduction of present duties must all come from wages, as manufacturers are now, and for some time have been, working without profit, and many of them at loss. Large reduction in wages for skilled workmen has been for some years necessary to secure profit to manufacturers, and would have been made if the temporary extra demand to operate the increased capacity caused by building in natural gas districts, and by change from pot to tank furnaces, had not prevented. If duties be reduced the additional amount to come from both skilled and unskilled wages can only be secured after long resistance, when work or no work, solvency or bankruptcy, must be settled.

The duties before 1883 were one-eighth cent per pound higher on each bracket size. Reductions were made in 1883 in accordance with the general features of the law then passed, and with the hope that manufacturers could adjust their cost thereto.

The reduction in foreign cost by the construction of continuous tank furnaces soon after the reduction in duties, together with the discovery of natural gas and its application in large part of the United States, have prevented adjustment of cost to meet such reduced tariff and greatly reduced foreign prices, so that for several years the business has not been profitable, and for the past three years has been, as it now is,

regularly imported at less than, and American glass sold lower than, the cost of production here, while the capacity of furnaces here is greater than the total consumption in any year, and not one box should be imported. Twenty-five to 30 per cent of the total consumption in the United States is of foreign glass.

The present duty on cylinder window glass under the McKinley bill is practically the same as under the tariff of 1883, the only changes being to charge on the actual weight of glass imported, instead of, as before, on an agreed weight, and making the duty proportionate on part of the larger sizes now used, the cost of which is much greater.

The rates now are, per paragraph 112:

	Cents per pound.
Sizes not exceeding 10 by 15 inches	1⅛
Above, and not exceeding 16 by 24 inches	1⅞
Above that and not exceeding 24 by 30 inches	2⅛
Above that and not exceeding 24 by 36 inches	2⅞
All above that	3⅛

Provided, That unpolished cylinder, crown, and common window glass imported in boxes shall contain 50 square feet, as nearly as size will permit, and the duty shall be computed thereon according to the actual weight of glass.

Paragraph 118:

Cylinder, crown, or common window glass, when ground, obscured, frosted, sanded, enameled, beveled, etched, embossed, engraved, stained, colored, or otherwise ornamented or decorated, shall be subject to a duty of 10 per centum ad valorem in addition to the rates otherwise chargeable thereon.

No allowance for breakage on imports is now or should be made. A statement from Bureau of Statistics a few years since showed the average amount was not 1 per cent. Such claims are difficult of adjustment, lead to uncertain settlements, and are but fair offset to breakage in transportation of American glass.

A rate per pound, increasing with size, is the only fair basis for assessing duties, as weight and size are the essential elements of cost, and are the conditions controlling prices for both foreign and American glass.

Specific duties are necessary to secure fixed conditions, especially to make stable rates and to secure protection at the time of greatest need from depressed business conditions. They are also most necessary to secure fair valuations by foreign manufacturers or importers whose interests are so much in favor of undervaluations, which are believed to exist largely under ad valorem rates. Present specific duties are represented as equaling a very high ad valorem rate. This is only because American competition has very largely reduced the price on which duties are computed.

Reports of the Bureau of Statistics show that higher duties in 1873 and 1874 equaled 37 per cent ad valorem; in 1883 equaled 72 per cent ad valorem; in 1893 the rate appears higher, foreign prices being much lower; yet during all this period duties were the same or higher than now, the proportion increasing as price declines. The present rate is one-eight cent per pound less than in 1873, when duties averaged but 37 per cent ad valorem.

The selling price of both American and French glass has been largely reduced since 1860, when the duties were very low (15 to 17 per cent ad valorem). The books of principal importers and manufacturers engaged in business from 1857 to 1860 show the reduction since 1860 of 30 to 33 per cent in the selling prices.

Bureau of Statistics reports show the cost price per foreign invoices

in 1873, was 5.33 cents per pound; in 1883 was 3.16 cents per pound; in 1893 was 2.33 cents per pound; a decline since 1883 of 25 per cent, and since 1873 of more than half the foreign price.

The effects of any reduced duties would be to diminish wages to the least possible rates, and if required beyond the ability of men to meet, then stoppage of the manufacturers and abandonment of their plant with enormous loss of capital. If duties are reduced, the revenue of the Government would be reduced unless the imports increase in large proportion. This would decrease the employment of men in the United States in like measure, and consumers' increasing demand for foreign glass without American competition would again pay high prices, and the only benefits resulting would accrue to foreign manufacturers.

Almost all the details as given for window glass apply to the manufacture of green and amber bottles, and also flint and lime glass bottle ware, not including chemical glassware, or glass for table use, or lamps, globes, and chimneys.

The materials employed for green glass are the same, and about the same proportion; those for flint and lime glass vary but slightly. A larger proportion of boys' labor is employed for bottle ware.

The imports of bottles are not as convenient as for window glass because most of the ware required is made specially to order, being blown in molds, and hence requires longer time to import. Imports of beer, mineral water, and wine bottles, however, were increasing very rapidly until the specific duties of from 1 to 1½ cents per pound were charged. The duties now are on bottles not filled, holding more than 1 pint, 1 cent per pound. If holding not more than 1 pint, and not less than one-fourth pint, 1 cent per pound; holding less than one-fourth pint, 50 cents per gross. If filled, and contents are charged ad valorem duties, the value of the bottles is to be added. If filled, and contents are not subject to ad valorem duties, or are free, then the duty on bottles is to be added at the same rates as charged on empty bottles: *Provided*, Duties shall be not less than 40 per cent ad valorem. Duties on vials under one-fourth pint contents, are levied at a specific rate per gross, which is the way they are bought, because the larger part of labor and smaller weight would not be the proper measure of value. The cost of importing bottles is still lower than cost of manufacture here, and large orders are made abroad.

American competition in manufacture of bottles has reduced prices. The cost to consumers is lower now than before 1860, so that the increase in duty has not been at consumers' expense.

The manufacture of bottles is even more widely diffused than of window glass, both green and flint; bottle glass extending as far south as Georgia and Alabama, and west to California.

It is an industry natural to the United States, with established capacity beyond the total consumption.

It has, like window-glass manufacture, been stimulated by new furnaces started in the natural-gas district, and by the changes of plant to the continuous-tank system, so that consumers have the advantages of vigorous competition, and as low prices as the general conditions in the United States permit.

Mr. TURNER. Were you before the committee which framed the present law?

Mr. BODINE. I was.

Mr. TURNER. Did you not formulate this paragraph of the law which you have cited?

Mr. BODINE. I think I prepared practically the language of the present bill.

Mr. TURNER. Have you prospered under it?

Mr. BODINE. I have just stated in this statement that we have not made interest on our capital during that time, since the passage of the bill.

Mr. TURNER. Would you like to write it over again; would you like to try and formulate it again?

Mr. BODINE. I said I had formulated that, and in the light of all experience I should not change the bill from the present rate. It has secured the lowest prices to the consumers and the largest revenue to the Government.

Mr. TURNER. Is there any trust or combination amongst the glass manufacturers?

Mr. BODINE (continuing former answer). It has not secured us the protection we need and our competition has been excessive from both domestic and foreign and forced us down. I know of no trust. There was a trade organization to discuss matters of general interest. I am not aware of anything of the sort.

The CHAIRMAN. What is the National Window Glass Company, chartered by the State of Wisconsin?

Mr. BODINE. I am not aware of anything of the sort. There is an organization of the Western manufacturers which includes most of the Western manufacturers, but I am not a member of that, nor is any manufacturer in the East.

Mr. TURNER. Do not they regulate prices?

Mr. BODINE. They try sometimes, but they have never succeeded.

The CHAIRMAN. Where does Mr. Chambers manufacture?

Mr. BODINE. Pittsburg.

The CHAIRMAN. Is not he president of the National Window Glass Association?

Mr. CHAMBERS. He is.

Mr. BODINE. Perhaps I might state how far they attempt to regulate prices. This organization does not consist exclusively of manufacturers. They have about as many jobbers included in it as manufacturers. Jobbers are those who buy in very large quantities and distribute it. There never has been, as far as I have known, any attempt to regulate the price to sell these jobbers, through whom probably ninety-nine one-hundredths of all the glass made in the West is sold.

Mr. TURNER. Does not the specific duty, when converted into ad valorem, on most of your goods amount to 100 per cent?

Mr. BODINE. Adopting foreign invoice prices at present, I suppose it does; while our wages, if you will remember, amount to 150 to 200 per cent.

The CHAIRMAN. Roughly speaking, what amount is raw material and what amount is labor in the production of common window glass?

Mr. CHAMBERS. That is covered in the original statement.

Mr. BODINE. It is stated that 85 per cent is wages, direct and indirect, and taking out the indirect, 65 per cent is the wages paid by the manufacturers, but there are many manufacturers who do all that preliminary work themselves. They own the sand and manufacture the other materials. So there are many establishments, particularly in the East, where all that is done by the manufacturer.

The CHAIRMAN. What are the comparative daily wages of the skilled blowers, gatherers, flatteners, and cutters?

Mr. BODINE. Blowers, who are those finishing the product ready for the flatteners, in the United States average $135 a month on an average product of 180 boxes. In Belgium they average $55 per month for

a product of 220 boxes. Gatherers of glass, either out of the tank or out of the pot ready for the blowers to work, in this country average $80 per month. In Belgium they average about $30 per month. The flatteners earn the same as the blowers in this country, and abroad they earn about $25 per month. The cutters here earn about $100, as against the foreign wages of $25 per month.

The CHAIRMAN. Of this class of workmen how many are American and how many are foreiguers, roughly estimating?

Mr. BODINE. Somewhere from 10 to 20 per cent; I should doubt whether there was over 15 per cent of foreign workmen. I think the majority are drawn here to fill idle places where we have not enough American workmen to fill.

Mr. CHAMBERS. We can not answer that question accurately.

The CHAIRMAN. I only wanted him to give me a rough estimate.

Mr. BODINE. I do not think it is over 15 per cent.

The CHAIRMAN. By foreiguers, do you mean still unnaturalized?

Mr. BODINE. No. I think those who come here the first thing they do is to take out naturalization papers. They are not allowed to enter the workmen's union, I believe, unless they are either citizens or have declared their intentions to become citizens.

The CHAIRMAN. Do you attribute these high wages of the skilled workmen to the tariff or to their organization?

Mr. BODINE. I suppose that has its influence, but if it were not for the present tariff we should have all stopped production long since.

The CHAIRMAN. Has not the glass industry——

Mr. BODINE (continuing). And the wages of the laborer have certainly been paid because of the present tariff.

The CHAIRMAN. Is the glass industry an infant industry, or is it an old one in this country?

Mr. BODINE. It is an old one.

The CHAIRMAN. It began before the tariff?

Mr. BODINE. It is very well developed, too much developed for the proper——

The CHAIRMAN. Does this organization of workmen dictate their own pay to a large extent?

Mr. BODINE. They try to.

The CHAIRMAN. Do they determine the number of months they shall work in a year?

Mr. BODINE. They do not. Three months practically they do not work, in the hot weather. If they have any such rule it would be beneficial, for it is unprofitable to make glass during those months under all circumstances.

The CHAIRMAN. Do they limit their output per week to a blower?

Mr. BODINE. I think they do, and that accounts for part of the difference between the American product per month and the product abroad.

The CHAIRMAN. Is there any difficulty in American boys getting an opportunity to learn this skilled trade, especially the one of blowing?

Mr. BODINE. Very few do.

The CHAIRMAN. That does not answer the question. What I want to know is whether this organization draws a limit as to how many shall be apprentices and discriminates against American boys?

Mr. CHAMBERS. He says he does not know whether they have any rules on this question. I think the workmen will come before you and they can answer that.

The CHAIRMAN. Is your free raw material as cheap in this country as it is in Belgium; take coal for instance?

Mr. BODINE. It is not. I think the foreign prices show a large per cent under ours.

The CHAIRMAN. How about coal?

Mr. BODINE. The difference there is not as large as other foreign material. Take the article of sulphate of soda, there the difference is very great.

Mr. CHAMBERS. The difference is great in sand too.

Mr. BODINE. There are other materials in which the difference is very great.

The CHAIRMAN. I want to know whether the American product is as good as the foreign product, take for instance the blowing?

Mr. BODINE. I stated in the statement that the best makers of American glass are producing glass which could not be distinguished by experts when put in a window. There is some made not as good as the best imported, but there is some very poor glass imported.

The CHAIRMAN. Why is so much imported under this high tariff?

Mr. BODINE. Because they seem to be able to meet our cost here and the preference they have in selling sells it, but there has been a competition between the foreign manufacturer and the importer and the goods manufactured in this country and we hope some day to take it all. We have a capacity beyond the total consumption. And architect's specifications requiring foreign glass has a good deal to do with the matter. When a contractor gets a building the architects have been in the habit of specifying its construction and they say that foreign glass shall be used. They do so still in a vast majority of cases. some of them after examining the subject are statisfied the glass here is equal and they will specify American. Now, unless these specifications are changed the contractors put in French glass though they might be able and prefer to put in better American; they are afraid to deviate from the letter of the contract.

Mr. BRYAN. Did you say the plant in its status at this time is sufficient to produce all the glass we can consume?

Mr. BODINE. There has not been a consumption equal to the present actual capacity.

Mr. BRYAN. Then you want a tariff sufficient to enable all of this glass to be manufactured at home?

Mr. BODINE. Yes, sir; but I have not advocated rates which would be prohibitory but restrain foreign manufacturers by a fair amount of duty.

Mr. BRYAN. Would you desire the tariff should be just equal to the difference in the cost of production?

Mr. BODINE. I do not think it is sufficiently equal to the cost of production. I think the tariff of 1883 was more nearly equal.

Mr. BRYAN. But your idea of a perfect tariff would be a tariff just equal to the difference in the cost of production?

Mr. BODINE. Yes, sir.

Mr. BRYAN. So we would produce all the glass at home and not import it, and you would like the same protection extended to other industries?

Mr. BODINE. Certainly we would.

Mr. BRYAN. So that, according to your idea, a perfect tariff would be a tariff which enables us to produce at home everything which we could produce at home?

Mr. BODINE. That was properly adapted for production.

Mr. BRYAN. And that the tariff which we collect ought not to be collected upon articles the like of which we do not produce, and they ought to come in free?

Mr. BODINE. As far as revenue requirements permit.

Mr. BRYAN. Now, have you discussed any plan, or considered any plan, by which we would raise the necessary revenue if we had a perfect tariff, which enables us to produce everything we could produce so we need not import?

Mr. BODINE. That is the province of this committee.

Mr. BRYAN. But your idea of a perfect tariff would enable us to produce everything that we could produce?

Mr. BODINE. I think everything adapted for our consumption and adapted to this country should be produced here by American workmen, if we are able to do it.

Mr. BRYAN. The tariff ought to be such a one that we should not import anything which we can produce?

Mr. BODINE. I think we might import luxuries, not necessaries.

Mr. BRYAN. Have you compared the wages paid in England and Belgium?

Mr. BODINE. Not in detail. They are a little higher in England than they are in Belgium. I do not know what the difference would be as I never have made a careful estimate, but the fact is there is almost no glass imported from England, and nearly all the glass, certainly I believe 80 or 90 per cent, of the importation comes from Belgium, so that would indicate that England can not compete with Belgium. In fact, England imports a large proportion of its own consumption from Belgium, showing that they can not compete with them.

Mr. BRYAN. You know nothing of the facts and figures on that subject?

Mr. BODINE. I know the facts, which I have stated, but not exactly the proportion.

Mr. BRYAN. But not exactly the proportion?

Mr. BODINE. I have looked at it, but I do not recollect them, although I think I have them somewhere.

Mr. BRYAN. What is the price of 8 by 10 window glass per 100 feet?

Mr. BODINE. We make four qualities.

Mr. BRYAN. What is the price of each quality?

Mr. BODINE. Taking the quality principally used, do you mean the lowest price sold the large buyers or the price sold to consumers?

Mr. BRYAN. Take the average price.

Mr. BODINE. The average price would be about $1.50 a box. That is for a 50-foot box. The glass is sold here in 50-foot boxes.

Mr. BRYAN. For what quality of glass is that ordinary quality?

Mr. BODINE. The third.

Mr. BRYAN. Is that going up or down in quality?

Mr. BODINE. That glass would be used in mechanics' buildings and smaller-sized houses. The fourth quality is used a great deal in factories where there is a demand of mere exclusion of air and demand for light. The higher qualities are used more as a matter of taste and not necessity.

Mr. GEAR. Is window glass at the lowest point in manufactured prices ever known in this country?

Mr. BODINE. It is.

VANHORNE, GRIFFEN & CO.,
New York, September 15, 1893.

SIR: I understand the American window-glass manufacturers are to have a hearing before your committee next week. For your information, I would state that they have so far failed to come to any arrangements for the next season with their workmen, as the latter refuse to sign the reduced scale of prices proposed and insisted upon by the manufacturers.

Further, that a strong association exists between the various competing American glass factories for the purpose of maintaining high selling prices. This association is backed by a large money deposit of upwards of $200,000, and provides for heavy fines and penalties in case of any variation from said agreement.

I inclose herewith a detailed statement of the cost of manufacturing common window glass in Belgium.

These are the same figures which I used before your committee on the 13th instant.

The division of cost of labor is as follows per 100 feet of glass:

	Francs.
Blowing	2.92
Flattening	.76
Cutting	.68
All other labor	.79
Total	5.15

Yours, truly,

D. A. VANHORNE.

Cost price in Belgium per 100 feet window glass, single thick, 16 ounces, free on board, Antwerp, to be shipped to the United States.

	Francs.	Per cent.
Materials of all kinds for melting	3.61	or 31.09
Labor, blowing, flattening, cutting, etc	5.15	44.36
Boxing, average small and large sizes	2.40	20.67
Expenses, transport to Antwerp, and shipping charges	.45	3.88
	11.61	100

Charleroi, March 27th, 1893.

G. BRICOULI.

Certified true and faithful:

M. GREGORIUS,
And others.

STATEMENT OF MR. JOHN P. EBERHART, PRESIDENT OF THE WINDOW-GLASS WORKERS' ASSOCIATION, OF PITTSBURG, PA.

MONDAY, *September 18, 1893.*

Mr. CHAIRMAN: I desire to offer a few remarks in the way of calling your attention to the interests of the men who are engaged as laborers in the window-glass industry in the United States. I deem it scarcely necessary for me to enter into an extended discussion of the question of the necessity for a high-rate protection to the industry in general, after the elaborate and able exposition of that phase of the subject that has been presented by the representative employers that have preceded

me, and shall therefore confine myself mainly to a plea on behalf of the workingmen, who, after all, are the most numerous and the most directly and vitally interested in the issues of this discussion.

The window-glass business has been, perhaps, as much talked about as any other business, and yet is as little understood, or, more properly speaking, more misunderstood, as to its conditions and operations than almost any other branch of industry.

I take it that the members of this committee, however they may be divided as to the general policy of tariff for protection in itself considered, are a unit in a desire tor the success of American industries and for the prosperity of the American people.

If I am not wrong in this, then there will be no objection raised to a retention of the duty on the imports of the product of this branch of industry, if it can be shown—

First, That we have the raw materials, the skill, all the natural advantages for producing, the best market in the world, and everything right here in our own country that ought to guarantee to our people this industry in the very highest state of prosperity.

Second. That on account of certain conditions pertaining to and necessary for the carrying on of this business successfully, and in accord with the spirit of the free institutions of our country, and on account of the unfair competition of the product of said industry in foreign countries, made possible by the operation of certain systems, and the existence of certain conditions that can not be otherwise properly met by those who would operate the business here, this high rate of duty is made necessary to secure success for those interested in this industry here in this country.

And lastly, that this high rate of duty can be retained on the imports of this product, to the success of the manufacturers and the reasonable prosperity of the artisans and laborers engaged in the work, and without prejudice to the interests of consumers or injustice to anyone anywhere, to say nothing of the advantages of the revenue accruing to the United States Government from the duty on such of the product as may still be imported.

As to my first proposition there can be no dispute. Indeed, it has been urged by some that because of the truth of the existence of the advantages referred to the necessity for a high rate of protection is removed. But let us see.

A few days since a member of an importing house appeared before this committee to ask for a reduction of the duty on window glass. In the course of his examination he was forced to admit that from some cause unexplained by him yet, notwithstanding the natural facilities for manufacture in this country, and under the present (as he styles it) exorbitantly high rate of duty, the importers are able to supply one-fourth of all the glass consumed in the United States from the product of the factories of foreign countries and of the labor of foreign people, thereby, as he acknowledged and as we all know, curtailing the production to just that extent in this country, and, as our experience proves, rendering idle for an important percentage of each year the capital invested in the business and lengthening the necessary suspension ot the operation of the factories in each year to an extent that greatly reduces the profits of the business to the employer; and by shortening the time of work and so reducing the yearly income of the workmen they find that the wages that appear to be satisfactorily large, when received for eight months in the year and used for twelve months for the support of their families, the wages that appeared so large have by the interference

of the foreign product been reduced in the aggregate for the year until, even with care, they scarcely last until the resumption of work after the summer stop. Assuming that the importer's estimate is correct as to the amount of imports (and I believe it is), then one-fourth of the total amount of window glass consumed in the United States is imported under the present tariff; and this when we have not only the materials but also the facilities to produce it all here.

This shows conclusively that the present tariff is not prohibitory in its operation by any means. I will here endeavor to briefly notice the history of the business as affected by the duty and the imports.

As to the imports, beginning with the year 1880, we find that for the years ending June 30, 1880, 1881, 1882, and 1883, the amounts are approximately the same as to quantity and value, the four years' imports amounting to 189,762,111 pounds, valued at $5,868,690, while in the four years ending June 30, 1887, or the four years immediately succeeding the reduction of the tariff in 1883, the imports amounted to 254,058,887 pounds and $6,907,451. That is, nearly 34 per cent more glass came into the country, with prices reduced, until it only amounted to a fraction over 17 per cent more value, and every man that depended on his trade in a window-glass works during that time looks back on the deprivations he had to suffer with a shudder.

During the years ending June 30, 1888, the imports again increased to 70,513,836 pounds; 1889, to 75,964,827 pounds, and in 1890 they dropped to 70,235,443 pounds.

During the year ending July 30, 1891, they amounted to 60,814,537 pounds and $1,484,797; to June 30, 1892, they increased in quantity to 67,320,577 pounds and $1,549,707. The values kept on sinking, so that while the increase in that year was nearly 11 per cent in quantity it was only 4½ per cent in value.

The quantity for year ending June, 1893, decreased (evidently), on account of the late and present depression and the prospects of tariff revision, a little over 14 per cent in quantity and a little over 11 per cent in value. So, you see, that through all these years the business has been developing in this country through the possibilities presented by the protective policy of the Government, and just as surely and as steadily has the price of the product cheapened in the market, until to-day it is the cheapest article that enters into the construction of a building, and it is a well-known fact that the more window glass that can be worked into a building the cheaper it will be to the owner. The glass in a house with twenty windows, with four lights in each window, the glass to be A quality, each light 13 by 28 inches, would cost $9.96, covering the space of 202 square feet, certainly very cheap wall. I made the statement in the outset that the window-glass business was greatly misunderstood, even where it has been much talked about and discussed.

It is not surprising that this should be the case with the uninitiated when it is so largely true of so many who have given the subject long, earnest, and intelligent study and in many cases years of costly experimenting. One reason why the advocates of the necessity for a high rate of protective duty on window glass have difficulty in convincing others of the justness of their claims, is that the business is, in fact, so simple as to the processes of manufacture, as well as to the ingredients used, that it is hard for the inquirer to believe that it is impossible to reduce the whole matter to mathematical certainty as to results. This is to say, it is hard for anyone to understand that if an experienced manufacturer has a properly constructed works, secures the proper materials and fuel, that this very simplicity is one source of many of

the complications that arise to make the business more or less precarious as to results, both for the men and the employer. In some branches of industry, where the materials are put through several processes and are gradually worked toward the merchantable state, there are opportunities to rectify mistakes, either in materials or in the working of them, so that loss may be avoided or at least greatly lessened.

In the glass business this is not the case. When the materials are once put into the furnace the thing is done, and the least shade of difference in the nature of any of the principal ingredients, such as sand or salt cake, which is liable to occur and can generally be detected only in results after it is past remedy; anything wrong with fuel or furnace, a slight mistake in the application of the heat, anyone of these, and many other apparently small accidents that frequently occur and are very hard to anticipate and are discovered only in results, once having occurred are beyond remedy, and all the expense attached to that lot of materials is either almost a lotal loss or must result in a very inferior product that yields very small returns to either the employer or workmen. Yet just as much money has been expended, except as to the wages of highly skilled labor; just as much hard work and as great skill have been brought into requisition in producing this product, which is of little value to either employer or skilled workmen, as had been figured on by investigators of the business as surely yielding a class of product that would give a handsome profit to both. And so is it clear through the whole process. The business is subject to innumerable accidents, many of which can not be foreseen. An experienced manufacturer, who understands his business, may build two furnaces under the same roof, on the same plan, from the same materials, the work done by the same mechanics, and the two furnaces may work very differently. The same materials and the same fuel will not produce the same results in the two furnaces, and it may require a long series of experiments and the making of a great deal of unprofitable product before they can be got to working right. I could go on and enumerate similar causes that work to the same results that are quite unavoidable, but which arise in every department of the works, and all work to the same end—that is, to the disappointment of both employer and the skilled workman and the destruction of the faith of each in the figures that had led them to expect different results, and, blinded to the true situation, each is apt to look upon himself as the only sufferer, and the employer says he suffers from paying too much wages, the worker claiming he suffers because the employer absorbs all and leaves him nothing, when in point of fact they are both victims of the same accidents that they each failed to make proper provision for in their calculations in the beginning. But, you say, what has this to do with retaining the tariff?

If you will bear with me a very few minutes I will try to show its near relation to the subject. I desire to show that while, should the American manufacturer be forced to reduce the price of his product to meet the lower price of the foreign product made possible by inadequate protection, his only recourse, if he desires to continue in the business, is to a reduction of the wages of his employés. Yet the difference in wages paid here and abroad, while constituting the principal point of advantage the foreigner has over him, is not the only one. As, for instance, the window-glass business in this country is scattered over a vast area of territory, reaching from Massachusetts to different points on and beyond the Mississippi and occupying a dozen States, and is still extending westward until the fires will shortly be lighted in the

State of Washington. Over all this territory there is strong competition between the manufacturers, and while the American market is the best in the world, yet it must be remembered that it is the only market we can look to for the consumption of our product, and, for causes which will appear in this discussion, must necessarily remain so.

On the other hand the territory in which the glass is made to supply all other markets of the world is much smaller. England, France, Germany, Belgium, and Italy supply the whole of the markets of the world except the American market, and are fondly hoping for a reduction of the tariff when they may be able to monopolize that. England with her colonies in which she has the advantage, and the others with all the states of the continent, it can be readily seen that the strongest competition between them would be in the American market which is the best in the world, and having such a diversity of markets they are relieved of much inconvenience met with here, where we depend on the home consumption alone and are subject to all the fluctuations in the activity of our own market. Not only so, but the rapid advance in the demands of the American market as to the sizes and qualities used calls for more care in the business and the use of the best and most costly materials and appliances in order to increase the percentage of the best qualities which the market now requires and to meet the relative decline in the demand for the poorer qualities which renders them even less desirable than formerly, while in foreign countries the majority of their markets are as an important part of our home market was until recently, indifferent as to the quality and hence afford ample market for their medium and poorer qualities so that they can use a lower grade, and hence cheaper materials, even if the product in the aggregate is much poorer in quality they can send the bulk of it to China, India, Spain, the islands, Canada, and all over Europe and Asia, and select the very finest to bring into our market to compete with us. And yet with all we have by American diligence and enterprise been enabled to so advance the business in this country as to be able to place on the market at prices that can not possibly be complained of glass that can not be surpassed, if indeed it can be equaled in the world, the statement of the importer to the contrary nothwithstanding. Not only have they advantage of this kind, but in Belgium, which is our greatest competitor (the so-called French glass coming from Belgium), they have the advantage of mere nominal cost of transportation, the Government owning the railroads and carrying all goods destined for export to other countries, to the point of shipment, for actual cost of carrying, and it is well known that freight of this character (having weight without much bulk) is sought after by the steamship companies and is frequently carried at mere nominal freight charges for its use as ballast. English manufacturers are all either on or near the seaboard, and so far as cost of transportation is concerned glass can be laid down in the New York market cheaper than it can be done from most of the American factories, and can, I am informed, be reshipped to points in the Western market cheaper than can the product of the American factories as far as west as Pittsburg. These and other things operate against the American producer, and he can be compensated only by a protective tariff to place him on an equal footing as to these particulars.

And now we come to consider the greater disadvantage the American producer labors under on account of the added cost of production by reason of the great additional cost of labor. It must be mentioned that all materials, except perhaps fuel, are cheaper to the foreign employer, yet all the cost of production, aside from the wages of labor,

according to the most careful estimates amounting to only about 15 per cent of the total cost, it is easily apparent that a slight difference in the remaining 85 per cent of cost, or the wages of labor, sinks into insignificance any possible cheapening of the imported materials by placing them on the free list as so-called raw materials, aside from the fact that it would discourage the development of the production of said materials in this country, which has been making rapid progress of late.

Now, as to the great difference—the great necessary difference, in wages paid in this country and abroad. It is scarcely necessary for me to dwell on the question of fact as to the difference existing nor as to the extent of that difference.

There are so many elements of difference, and they differ so in character in different places abroad, as to render it difficult to reduce it to exact figures; besides, on account of the many accidents to which the business is subject in this country, as referred to above, it can not be stated exactly what the earnings are here. That is to say, with the men working in all the factories of the country on the same scale of wages and doing the same amount of work, we find that in one month, or even for a whole blast, the men in some factories will make more than in others, according to the relative degree of success in those works, and probably the next month or the next year the relative positions as to amount of earnings of the men in the same factories will be reversed. This is because the skilled workmen are paid, not only on the principle of piecework, or according to amount produced, but their wages are also rated according to sizes and quality produced, the size in a general way depending on the quality. I will say, then, that the men make a very great deal more in this country than they do in foreign countries. Take for example the report of the Commissioner of Labor.

The average of the American workman is $834.85 per year. The Belgian workman makes $478.40, the English $424.94, and assuming this to be correct, the difference of cost to the employer is much greater according to amount of production than would appear from the figures, inasmuch as in England the employer gets the advantage of having the boys bound to them for a term of seven years, at least half of which time they do the work of a journeyman and receive for it apprentice's wages which are exceedingly small, while the American boy is allowed to receive full wages as soon after entering the trade as he can fit himself to fill a place. Besides the wages pretended to be paid to journeymen in England are deceitful to the statistician because of a system of fining by which they are mulcted of a large portion of it in many cases.

In Belgium they work twelve months in the year and seven days in the week, while here we work under present conditions about eight and one-half months, and on account of climatic and other conditions we could only work ten months under the most favorable circumstances.

Precisely the same methods and appliances are used in this country as are used abroad, the work being exclusively hand work; yet experience proves, and has clearly demonstrated in this business, that in any department of manufacture American industry and inventive genius will accomplish all the possibilities in point of quality of product and economy of production, while American aggressiveness and enterprise and spirit of competition will guaranty to the consumer the very lowest possible price of said product. There can be no question that this, added to the fact that under the present tariff the foreigner can success-

fully enter our markets and further stimulate this spirit of competition, has already brought window glass to so low a price that every means of cheapening it, and at the same time producing the high grade of quality the market requires, has been exhausted, except reducing the wages of the men, so that this committee, if contemplating a reduction of the tariff, is in reality discussing the propriety of reducing our wages. The impression has been made, in ways and for purposes which I need not here discuss, that window-glass workers make very large wages, and this has been urged by some as a reason why the tariff ought to be reduced, because to continue it is to continue to our people wages that, as compared with other workingmens' wages, are unjustly high.

The people who think and talk that way know not of what they speak. I have returns of the wages earned by the most highly skilled workmen from different concerns, which cover all the different parts of the glass-making districts in the United States. These reports are taken direct from the actual pay rolls of the companies, and are all duly sworn to.

Taking the sum of the average monthy wages of the men in these different factories and dividing it by the number of factories represented we find the average to be for the time worked $95.12 per month. This is not a strictly accurate average, as there were more men working in some of the works than others, yet it is approximately correct. Now, figuring that they had all worked the full working time of a year, or ten months, each would have made $951.12, which, divided into twelve parts, representing the number of months this must be distributed in for the support of the family, we find it to be $79.27. This represents, not what they actually received, but what they could possibly earn if they got full time at the present rate of wages. It is true we make a higher rate of wages than men in some other crafts do, but when the lost time is considered, even the necessary lost time in each year, it leaves little if any more than our necessities require.

It has been said by some that window-glass workers live too extravagantly, buying more of the more costly articles of food, such as beefsteak, etc., than their neighbors. They need to.

Go into a window-glass works and see them work, constantly exercising all the strength of which they are possessed, and this in the midst of almost blistering heat, note the wonderful draft on their energies that is constantly manifested by the streams of perspiration that issue from every pore of their skins, and you will agree that to expect them to recuperate this rapidly wasting strength, so as to be able to endure it day after day on the food requisite for the clerk at his desk, the salesman in the store, or the laborer on the street, is scarcely less reasonable than to expect to satisfy the requirements of the heavy draft horse on the diet of the goat that preys on the empty cans and refuse in the back alley and vacant lot. We want better wages than they get abroad; we are not satisfied to have our wives and sisters wheel coal and sand in the factories; we desire to have our children attend school instead of working before they have even the elements of an education, as is the case with our competitors in the American market who work abroad. We are not satisfied to live in houses with only bare flag or cobble-stone floors as many of them have to do.

To talk of American workingmen working and living as they do in foreign countries is un-American.

It is said that no society can be better than the average of its members; can we then hope to advance our civilization, or maintain it, if

we introduce a system to degrade the most numerous class of its members? Can we hope to maintain a free Government for the people, by the people, if we destroy the spirit of individual freedom and independence in that people. The degradation of the masses is incompatible with free institutions and popular government, and must call for a multiplication of standing armies and reformatory institutions.

I regret to have taken so much of your valuable time, gentlemen of the committee, but I am conscious that, to a large extent, the thousands of now idle workingmen, with their families, who depend on this industry for a living are looking to me and the gentlemen who accompany me to place this matter before you in its true light, and to plead their cause before you, so as that you will be led to concur in our opinion, and request that the window-glass business be left at least the already inadequate protection it now has, for we are to a man impressed with the belief that you are sitting in judgment on the very life of the business in this country, and are the keepers of their hopes for success in their life's avocation. In submitting these remarks to you I am voicing the opinions of all who appear with me as a committee of the Window Glass Workers' Association of America, and whose names are appended.

We will cheerfully answer any questions you may ask, if we are able to do so. We thank you, gentlemen, for your courtesy.

Respectfully,

JOHN P. EBERHART, *President, Pittsburg, Pa.*
SIMEON F. PUTNEY, *Cleveland, N. Y.*
JOS. RIGGINS, *Bridgeton, N. J.*
CHAS. BRYANT, *Findlay, Ohio.*
JOHN A. KEALY, *Jeannette, Pa.*
A. M. HAMMETT, *Pittsburg, Pa.*
JAMES CAMPBELL, *Pittsburg, Pa.*
GEORGE L. CAKE, *Pittsburg, Pa.*
Committee of Window Glass Workers' Association of America.

Mr. EBERHART. It is absolutely impossible for the Commissioner of Labor, or any other statistician to determine this matter accurately, and I only assume these figures to be correct, and will argue on that basis. I had not anticipated what Mr. Bodine would say this morning; but I think his statement as to wages is approximately correct.

We come here to-day believing that we are right. We come here believing that you would know we are right if you had a fair knowledge of this question in all its bearings. There is no body of people on the earth who have been so misrepresented and misunderstood as the window-glass workers of this country have been. We have submitted to having ourselves talked about as receiving too much wages, and everything of that sort; but this is simply a question of business. We desire to tell the whole truth, and have come before you willing and anxious to answer every question that you may ask us, in order that you may understand the matter.

Mr. TARSNEY. It is not true that the accidents of which you speak in this business are inherent in business everywhere?

Mr. EBERHART. I only gave that as a reason why it is impossible to reduce it to figures. It makes the figures taken from other countries just as erroneous as those in this country.

Mr. TARSNEY. Do you indorse the figures given by Mr. Bodine?

Mr. EBERHART. We indorse them as being perfectly fair.

Mr. TARSNEY. I understood Mr. Bodine to state that the difference

in wages and labor cost between England and Belgium was the same as that between England and the United States.

Mr. EBERHART. You thoroughly misunderstood him.

Mr. TARSNEY. He followed it with the statement that because of that big increase the Belgians were encroaching upon and almost monopolizing the English market.

Mr. EBERHART. Excuse me, but you misapprehended him. He said that after all, while there were apparent differences in wages, they were evened up. Wages are approximately the same on the same qualities of goods. A great deal of goods have been imported from Belgium to England.

Mr. TARSNEY. For what is your association formed?

Mr. EBERHART. It is formed for the elevation of its members, for their education in the principles of American citizenship, as well as for the purpose of protection in our industry.

Mr. TARSNEY. On what do you look with most apprehension?

Mr. EBERHART. By being closely bound together we hope to be able to bring to bear an influence that will work to the benefit of our business, and from time to time resist any unjust encroachments from our employers, and to do everything that goes to make workingmen more prosperous.

Mr. TARSNEY. One of the principal objects is to prevent encroachments by the reduction of wages?

Mr. EBERHART. That is one of the principal objects.

Mr. TARSNEY. You find a necessity for organization for that purpose?

Mr. EBERHART. Necessarily.

Mr. TARSNEY. You frequently have to exercise force for that purpose?

Mr. EBERHART. Yes, sir; I would like to give you some reasons why. We realize, Mr. Chairman and gentlemen, that our employers are only human; and not only that, but they are American and aggressive, as are Americans of every kind; and that when they are crowded by the foreign product and harassed in their own market by the foreigners from year to year, as they have been through the latter years of the business, it is only natural that they would protect themselves from ruin. The wages of the men in their factories being an all-important factor in the cost of production, they would naturally look to reduction in that line.

Mr. TARSNEY. Does not that sometimes occur when it is not the result of competition?

Mr. EBERHART. I remember that we were reduced in wages sometime after the reduction of the tariff in 1893; and it is the only reduction of wages that I have any knowledge of.

Mr. TARSNEY. Were importations heavier at that time than they are to-day?

Mr. EBERHART. They were somewhat heavier at that time than at present.

Mr. TARSNEY. Did you not in your paper state to the contrary?

Mr. EBERHART. No, sir. At that time the reduction was conceded because our organization recognized the justice of it on account of this reduction in the tariff.

I will also state that we have an express written agreement with our employers that if the tariff be reduced we would be willing to accept a reduction.

Mr. TARSNEY. As to the figures that you speak about, will you please give them again for 1880?

Mr. EBERHART. For the year ending June 30, 1881, the amounts are approximately the same. For the four years ending June 30, 1881, or succeeding the reduction of the tariff, the imports amounted to $6,000,000; nearly three-fourths more.

Mr. TARSNEY. Please explain why it is that you suspend work for a couple of months in each year.

Mr. EBERHART. I will try to do so. You must understand that the window-glass work is more arduous than anyone not actually experienced in it can possibly appreciate. You must know that when the heat becomes oppressive in the spring of the year the men, with all their excellent food, with all the nice beefsteak they can get, are unable to recuperate sufficiently to continue the performance of that work. About the latter part of June the men are completely fagged out, and must have a cessation of labor; not only that, but by reason of the excessive heat used in the works it is rapidly destructive to them, and it is necessary sometimes to place these works in working order, so that stoppage is necessary. While that acts as a loss to the workingmen, they have discussed the matter, and they do not want the stoppage to be any shorter.

Mr. TARSNEY. Is there much difference between the climate in midsummer in Pittsburg and that in Belgium?

Mr. EBERHART. Experience shows that while the difference in the heat at a given period would not vary so much in their climate, still it is more even over there, and it does not come on so suddenly as in this country to "knock us out," if you will excuse a glass-house expression.

Mr. BRECKINRIDGE. In what department of the glass-manufacturing business are you engaged?

Mr. EBERHART. I am not engaged in glass works, but am president of the Iron Workers' Association. My trade is that of a cutter.

Mr. BRECKINRIDGE. Does that relate to window glass?

Mr. EBERHART. Yes, sir; there are blowers, cutters, and flatteners.

Mr. BRECKINRIDGE. Have you any export trade at this time?

Mr. EBERHART. None that I know of. That question could be better answered by the manufacturers.

Mr. BRECKINRIDGE. I infer from the trend of your argument that it is needless for us to hope to have an export trade in window glass?

Mr. EBERHART. It is absolutely needless for us ever to hope to do that, unless the working people of foreign countries are elevated to the status of ours. We have other things to overcome besides that in the matter of transportation.

Mr. BRECKINRIDGE. That applies more particularly to the glass establishments in the interior?

Mr. EBERHART. Our glass-manufacturing establishments are in the interior principally. It has been found that the most advantageous localities for manufacturing glass are considerable distances from the seaboard, as a rule.

Mr. BRECKINRIDGE. Are you familiar with the difference that has existed between the cost of production in this country at former times, as well as at the present time?

Mr. EBERHART. I could not answer that very accurately, except in this way: That I did have positive knowledge that as the tariff has been reduced the cost of production in foreign countries has been reduced. I remember that in 1890, when what is known as the McKinley bill was passed, immediately after it was known that it would go into effect notices were posted in the works in express terms: "We will enforce a 10 per cent reduction in our works to meet the advance

in the tariff on account of the McKinley bill." That is one of the instances. When the development occurred in this business in this country and manufacturers had taken every effort to improve their works and to cheapen the article, and when there had been over there reductions made in order to increase their ability to sell glass they made an aggregate reduction of 20 per cent after the passage of that bill.

Mr. BRECKINRIDGE. When the tariff was advanced by the passage of the McKinley bill did you find foreign competition in the interior as well as on the seaboard?

Mr. EBERHART. Yes, sir; but of course not to the same extent. I know something about the business farther back than my personal recollection will go.

Mr. BRECKINRIDGE. So far as you know the American producers require as much protection now as they ever did?

Mr. EBERHART. No, sir.

Mr. BRECKINRIDGE. You see no hope of establishing an export trade?

Mr. EBERHART. No, sir; unless conditions greatly change in foreign countries. It will never be possible unless some great revolution is made in the business whereby machinery can be used to produce glass still cheaper than it can be produced in foreign countries. It will never come about so long as American workingmen have a right to work and live as American citizens.

Mr. BRECKINRIDGE. And, so far as I see, it will never be possible for American manufacturers to establish business in such a way as to supply this country without the rates of protection remaining substantially as we have them at the present time.

Mr. EBERHART. We always will have to accept ideas of certain cranks in this country who are determined to have anything that is imported; but we think the time ought to come when we will have a much larger percentage of the home market than we have ever had before.

Mr. BRECKINRIDGE. My question was as to whether you could foresee any possibility of being able to supply our market without substantially the same rate of protection that the glass manufacturers have at this time.

Mr. EBERHART. I will say that within the last few years there has been a wonderful advancement in this country by manufacturers in the introduction of the continuous-tank system, and so on. The manufacturers in this country have been very ambitious to get the very best methods and the very best ways to reduce the cost of the product. This may continue, and the time may come when we will not need so much protection. Although Mr. Bodine stated this was no longer an infant industry, for it has been in existence a long while, yet it is struggling as much to-day as it ever has. For instance, in the Western country we discovered natural gas to be a very good fuel with which to make glass. Everybody went into this and it has begun to react now. It must be so, and I believe that to-day, so far as actual results are concerned, taken in the aggregate, the manufacturers of this country have profited by this fuel. It has caused a wonderful advancement in that business in this country, because it has stimulated manufacturers to the introduction of other new methods of manufacturing fuel that will produce a finer quality of glass. For instance, in one mill Mr. Chambers is erecting an apparatus to make his own gas, without the hope of using natural gas. Other manufacturers are manufacturing gas from coal,

not because it is cheaper, but because there was a necessity for a gas of transcendent power that will justify them. Mr. Chambers told me that he could not put in an expensive plant were it not to be permanent.

Mr. BRECKINRIDGE. I infer from what you say about natural gas and other things that the cost of manufacturing has not been increased?

Mr. EBERHART. I really believe that during the time of this wonderful development prices have declined.

Mr. BRECKINRIDGE. Do you know the difference in the selling price of window glass in this country and that abroad?

Mr. EBERHART. In this country?

Mr. BRECKINRIDGE. Yes, sir; or in the foreign market—say the price to the jobbers.

Mr. EBERHART. I do not, sir. That is not exactly in my department of the business. My best information is that glass is sold in foreign countries so low that, even with all our advantages, we do not see how they can do it. We know that it sold so low as to force our prices down to a low notch.

The CHAIRMAN. Did I understand you to say that when the McKinley bill was passed there was a reduction of wages in the glass business in Belgium?

Mr. EBERHART. Yes, sir.

The CHAIRMAN. Have they trades unions in foreign countries?

Mr. EBERHART. I believe they have a sort of union over there.

The CHAIRMAN. And yet their union was obliged to submit to a reduction of wages?

Mr. EBERHART. Yes, sir; I do not think they were able to hold on long enough.

The CHAIRMAN. In some lines of occupation they have international unions. Is there such a thing in your trade?

Mr. EBERHART. No, sir; we have nothing of the sort.

The CHAIRMAN. There was no corresponding increase of wages on this side of the water because of the McKinley bill?

Mr. EBERHART. No, sir.

The CHAIRMAN. Are there any glass manufacturers who employ nonunion labor in this country?

Mr. EBERHART. Not one.

The CHAIRMAN. You have a pretty good organization?

Mr. EBERHART. There is no window-glass manufacturer in this country who runs nonunion works. If a manufacturer should be short of a man and the union could not supply one we never stand in the way of that man's services. We would allow him to be employed on the same terms as our own men are.

The CHAIRMAN. There is a scarcity of glass-blowers in the country?

Mr. EBERHART. There has been such a thing known.

The CHAIRMAN. Is there any difficulty in an American boy learning this trade?

Mr. EBERHART. No, sir.

The CHAIRMAN. Is there any obstacle in the way of his entering the trade?

Mr. EBERHART. If there is any such thing anywhere I have been unable to learn it.

The CHAIRMAN. Does not your union regulate the number of apprentices?

Mr. EBERHART. Yes, sir.

The CHAIRMAN. And who shall be apprentices?

Mr. EBERHART. Yes, sir. If you will allow me, I think I can give you better information by reading the laws of our organization on that subject. I am anxious to have this thoroughly understood. Our law reads that gatherers shall be 10 per cent; cutters, 4 per cent; and flatteners 4 per cent. When, however, it can be shown that it is necessary, the proportion of cutters can be raised to 20 per cent and that of flatteners to 5 per cent.

The CHAIRMAN. That is the proportion of apprentices to the number of workmen?

Mr. EBERHART. Yes, sir. I desire to explain that. Up to the time of the discovery of natural gas, this number of apprentices related to the number of workingmen; so that always an ample number of young men could enter the trade. There is no necessity for any places being vacant. Natural gas was discovered, and there was an abnormal growth in the business. We increased the number of apprentices in the quarries. Every man who is an American citizen, and who has been in the trade a sufficient length of time and is capable of taking care of an apprentice, has the right to take his son or brother outside of this percentage. We make a sufficient provision for apprentices to supply the demand. In order to do that we not only relax the laws so that we can get a boy into the trade, but we advance him as fast as possible in order to assist him in becoming a workman in six months, if possible, in order to make room for another apprentice. There was an impression among the manufacturers for several years, because the business was growing so fast, that there would be difficulty in getting apprentices. My impression was that there were boys enough, and I thought I understood the business better. We took all the apprentices that it was possible to take. This year we have received notice from the manufacturers that they do not want so many boys next year. For the last two years the manufacturers, when the time came to arrange the scale for the year, said nothing about the number of apprentices; and this year they have informed us in express terms that they do not ask the number of apprentices to be increased.

Our law says that no apprentiship shall be granted to any one who has not attained the age of fourteen years. Is not that equitable? An apprentice must have a good moral character, and be able to read and write. The law also says that a father or brother, being a citizen of the United States and in good standing, may be allowed to take a son or brother as an apprentice. The son of a deceased father has the privilege of entering the trade, provided said father was a citizen of the United States at the time of his death. So, you see we are Americans in our rules and laws. Section 15 says that in any one of the four trades where apprentices are received, no money shall be paid for such apprentices, and it fixes a fine of from $5 to $50, and the party is liable to be expelled, who violates this law. We are no enemies of the American boy. That belief is a great misapprehension.

It has been suggested that I should state the fact that the trade of blower is usually grown from that of gatherer, and that every gatherer who works in the business has always the right to advance himself, so that we have a constant stream pouring in as fast as the capacity of the works will take them.

The CHAIRMAN. Speaking of the character of the work, has there been a shortening of life among the workingmen in that business?

Mr. EBERHART. It has been found that it is a very heavy draft on any man's vitality, and that any man who works at the trade, unless he is extraordinarily strong, would not live as long as a man engaged

in other avocations of life. There have been men who worked until they were comparatively old. I remember one instance where a man who was thought to be so old that he was looked upon as a wonder. I have seen him tottering on the street; but when I came to inquire as to his age, I found he was not such an old man after all. He was considered old because he was a glass-worker. I think the time of service is greatly shortened on account of the character of the work.

Since I came to Washington to meet this committee I received a letter from the secretary in the office at Pittsburg in relation to a man for whom I had procured work; but I understand that he has not been accepted because he was thought to be too old. That man is as vigorous as any man in this room to-day. I had made a positive arrangement for a place for him. After a man gets too old for the business he is relegated to idleness, or has to take up common labor or go to the poorhouse.

The CHAIRMAN. There was something said in the papers about glass-blowers being imported in Pennsylvania. Was there any truth in that?

Mr. EBERHART. We were never able to prove it in court.

The CHAIRMAN. You could not make out a case in court?

Mr. EBERHART. There was a failure to get sufficient evidence to have the case recognized in court as a case—it was such an utter failure.

Mr. BRYAN. I want to ask you whether the fact that workingmen live better and have shorter hours makes their labor any more efficient during the time they do work?

Mr. EBERHART. Yes, sir; I believe it is possible.

Mr. BRYAN. In Belgium they work Sundays as well as other days, and have no vacations in the summer?

Mr. EBERHART. No, sir.

Mr. BRYAN. Does that tell upon the constitution or render their work less valuable to the employer?

Mr. EBERHART. I will have to answer that question a little at length. The conditions are so different over there that it is hard to understand all these things. I can not, as a matter of fact, state it; but my impression is that in Belgium they have created a surplus of workingmen, and if a man gets played out he can be replaced and the place be kept still going.

When you speak of works running, they refer more to the place than to the man. If a man becomes disabled the place goes on, because the women and children keep on working, and can manage to eke out a sort of existence.

Mr. BRYAN. Do you know what the hours are over there?

Mr. EBERHART. No, sir; except this, that in a continuous tank they have to work three sets of men in twenty-four hours.

Mr. BRYAN. Over there, as well as here?

Mr. EBERHART. Yes, sir.

Mr. BRYAN. So they work eight hours a day each?

Mr. EBERHART. I suppose so.

Mr. BRYAN. When you are giving the comparative wages, do you mean the wages for each man, or the wages that go to each place?

Mr. EBERHART. I am glad you make that point. When statisticians go to get statistics they get the wages of the men. A man is working in a glassworks, and it is always known as a certain place. The blower in the place gets the bill. It is called his place. The bill is made out to that man, no matter if he were off three or four weeks, unless discharged, or he surrenders the place permanently. The work

would be credited to that man. When statistics are made up, there is no allowance for sickness or anything of the kind. The statistics appear according to the wages paid to the man working in that certain place.

Mr. BRYAN. Is that true in this country?

Mr. EBERHART. I was speaking particularly of this country. I suppose it is the same in other countries.

Mr. BRYAN. Have you made any estimate by which you can speak intelligently on this subject of the labor cost of making a particular piece of glass, or do you base your opinion entirely upon the relative wages paid?

Mr. EBERHART. I could by a short calculation give you what the wages of our four trades would be on a particular box of glass. Then we would have to figure on estimates as to the percentage of this to the total cost.

Mr. BRYAN. Is it possible for a manufacturer to take a box of glass and figure out just what it cost to produce that box of glass and put it on the market?

Mr. EBERHART. It is possible to figure close to it, but it could not be done exactly. We can calculate that so much glass can be made out of so many pounds of soda-ash, sand, etc.—that it is in that material to do it. But we can not calculate whether a pot is liable to break and the glass run into the cellar and become a total loss.

Mr. BRYAN. A man who calculates must take those things into consideration?

Mr. EBERHART. Yes, sir; there may be a general average of such damages, and then he might meet a loss which would bankrupt him.

Mr. BRYAN. There is nothing in this country to make it more risky than in other countries; it is possible for a business man to compute the cost here as well as the cost there, of such accidents?

Mr. EBERHART. I believe it is more risky here than there, because there are so many of these things. If he is unfortunate enough to lose by such damages, they will cost him so much more here than on the thero side. Another thing is that in the old country the melting tank is not so much of a loss when the product is compared. It turns out often to be unfit for the market in this country; but in that country they can go ahead and work it up again, and ship it here and there to points where quality is not required. Such glass in this country would have to be dipped out and melted over again. Last year several tanks had to be emptied of glass as soon as it could be done.

Mr. BRYAN. I understand, then, that your estimate of the cost in this country and the cost abroad is based upon wages paid and not necessarily upon the cost of the article produced?

Mr. EBERHART. The wages are such an immensely large factor in it (that difference being 85 per cent of the total cost) that they go far toward making the difference in the total cost.

Mr. BRYAN. However much you may argue that subject, the fact remains that your estimate is based upon the wages paid and not upon investigation made of the actual cost?

Mr. EBERHART. Not altogether. We have sent men to Belgium and England to investigate this matter, and these estimates are the outcome of those investigations as near as we could get them. It is impossible to get them accurate on account of the difference in the places.

Mr. BRYAN. You simply give the figures as to the wages and not as to cost of a particular piece or quantity of glass.

Mr. EBERHART. I do not pretend to give the figures of wages in other countries. I only quote from the report of the Commissioner of Labor, which we can only assume to be correct.

Mr. BRYAN. I believe you stated that, counting the time the men did not work, it would make a little less than $79 per month for their wages?

Mr. EBERHART. I took my figures from a large number of works in the countries from the pay rolls of the companies.

Mr. BRYAN. The figures you give are not actually figures, but merely prophecies?

Mr. EBERHART. They are the average rate the men worked for this year.

Mr. BRYAN. Can you give us the actual amount for each man. Would it fall short of $79?

Mr. EBERHART. Really, I have not figured that out.

Mr. BRYAN. Would it be more than $60?

Mr. EBERHART. It would be more than $60.

Mr. BRYAN. Would it be $70?

Mr. EBERHART. Well, you are asking me to guess at something.

Mr. BRYAN. Give your best judgment.

Mr. EBERHART. It would be over $60.

Mr. BRYAN. Do you really believe that a reduction of the tariff would reduce your wages by reducing the price of glass in this country?

Mr. EBERHART. I have every reason to believe that if the tariff were reduced we would have to meet that reduction in a reduction of wages.

Mr. BRYAN. Because of the reduction in the price of glass?

Mr. EBERHART. Yes, sir.

Mr. BRYAN. In other words, you argue that the price of glass in this country is maintained at a higher point because of the tariff than it would be without the tariff?

Mr. EBERHART. I do believe that a reduction in the tariff would enable the foreign manufacturers to sell their glass here and it would cheapen it. I think that the maintenance of the tariff has developed the industry in this country, and will continue to develop it until glass sells for a lower price than it otherwise would if such development had not taken place.

Mr. BRYAN. The glass business is an old one, is it not?

Mr. EBERHART. It is pretty old.

Mr. BRYAN. We had about the same amount produced in this country before as we have had under the McKinley bill. Is not that largely true?

Mr. EBERHART. What was the Walker tariff?

Mr. BRYAN. It was a so-called free-trade tariff.

Mr. EBERHART. At that time the window-glass business was circumscribed in this country.

Mr. BRYAN. Did we not manufacture about as much as we do now at about the same price?

Mr. EBERHART. I am not able to answer that.

Mr. BRYAN. Mr. Clay said, in 1832, that window glass was selling at $3.75 per hundred feet. That was over sixty years ago, and the development has not brought a great reduction since that time.

Mr. EBERHART. I will tell you why. In 1832 8 by 10 was the best glass there was, and it was about the highest glass that came into the market. Now we have 8 by 10 simply a drug on the market. It is only sold now with other glass.

Mr. BRYAN. So that it is hardly fair to compare the two?

Mr. EBERHART. It would hardly be a fair comparison. In 1832 the window-glass business in this country was very small.

Mr. BRYAN. At that time Mr. Clay was bragging about how it had grown.

Mr. EBERHART. Since that time it has probably grown a great deal.

Mr. BRYAN. I think it was said this morning that the price was $1.50 for 50 feet in a box.

Mr. EBERHART. It has been suggested that at that time it would have cost a great deal more than that to have got that glass to the market. For instance, the industry in western Pennsylvania at that time was in the backwoods, and the cost of transportation was very excessive.

Mr. BRYAN. With that geographical protection the protection was greater than it is now?

Mr EBERHART. It could not be gotten to market.

Mr. BRYAN. Mr. Clay in his speech did not go into details, but simply mentioned it as an industry. You have stated that you did not see in future how we will be able to import much glass in competition with other countries, for many years to come, without a tariff.

Mr. EBERHART. I can not see it. I think it would be wise to keep on developing, as far as possible, in the hope of attaining that end.

Mr. BRYAN. Your defense of the tariff is that it pays us as a country to encourage the manufacture of glass at a higher price in this country than it can be bought for abroad?

Mr. EBERHART. I advocate a tariff on glass from a little narrower standpoint than that even.

Mr. BRYAN. That is narrow.

Mr. EBERHART. I think protection gives an opportunity of manufacturing here and employing men at good wages.

Mr. BRYAN. But suppose, to give those men good wages, it is necessary for some people in this country to pay more for the glass, you would still defend the tariff?

Mr. EBERHART. But I contend that this very system which has been carried on in America and given the people good wages has also, by developing the business, not only as to the methods of manufacture, but also as to localities the most advantageous, developed the business and cheapened the article in this country.

Mr. BRYAN. Can competition reduce the price of an article except where it is exorbitant?

Mr. EBERHART. You know that in every department of human activity we always figure on a profit in relation to the bulk of the business done. Now, the time was when the business was done in a small way, and the individual profit would necessarily be greater where the product is made in enormous works. Men can afford to sell for a less profit when they do a large business, and in the aggregate get a fair income.

Mr. BRYAN. You think doing business on a large scale will lessen the cost?

Mr. EBERHART. I think so.

Mr. BRYAN. Suppose that (conceding it for the sake of the argument) this industry can not be kept up without this tariff, would you still defend the collection indirectly by the Government of a higher price from the people to pay the manufacturers in order that you shall get more?

Mr. EBERHART. If you will come with me out into the State of Indiana I will show you there where this business has developed more rapidly than it has in any other portion of this country; and I also will show you where it has employed labor and where cities have been built in that section, and where people have bought glass to put in their houses; and I can show their ability in building those houses has been infinitely increased by this system. In that section cities have sprung up like mushrooms. Substantial towns have been built; and if you figure it down it will be an infinitesimal increase in the cost of the whole people and in their ability to buy.

Mr. BRYAN. Then your theory is that the direct benefit goes back indirectly to all the people who pay it?

Mr. EBERHART. Very much multiplied.

Mr. BRYAN. The little direct benefit which you get is multiplied before it goes back to the people who pay it?

Mr. EBERHART. Yes, sir; through those and others.

The CHAIRMAN. In the average earnings, do you include the unskilled along with the skilled labor?

Mr. EBERHART. No, sir; that was the average in the skilled trade.

The CHAIRMAN. Is it possible for a skilled blower to make that per diem wages?

Mr. EBERHART. Yes, sir. They do not make such large wages per annum. It will depend upon quite a number of conditions.

The CHAIRMAN. What would be the maximum for a skilled blower of double thickness?

Mr. EBERHART. That would be very hard to state, owing to the conditions. There are men in the country in the industry to-day that I have in mind who can make very large wages at times, when they have hours and glass fit for making extra large sizes. They are strong men and highly skilled. At the same time they are dragging themselves out and becoming old men before their time.

The CHAIRMAN. I have heard instances where men have made $25 to $30 a day.

Mr. EBERHART. Yes, sir; and they have continued to do it for a whole settlement through. There have been manufacturers who have built works—and especially has this been the case where workmen were scarce and where there was a rivalry between companies—there have been times when there would be rivalry as to reputation of the amount of production; during those times they have allowed some of the blowers, who were strong enough, to work on their very highest-priced sizes, whether they had orders or not; and they even allowed glass to go into those orders at extra price of wages, when it was hardly fit to go into it, simply for the purpose of saying that a blower made so much in a settlement. It goes out to the men that they are doing a good business at such and such works. That has been done in some instances.

The CHAIRMAN. After all, I imagine that in the American trade the tariff is the most effective agency?

Mr. EBERHART. I think I can assure you of this, that if you will continue the system you can safely leave the question of prosperity to us, for we will get our share of it.

Mr. PAYNE. Then you are not afraid of not getting your share?

Mr. EBERHART. Not in the least.

Mr. DALZELL. If we strike down the manufacturer you will suffer?

Mr. EBERHART. Yes, sir; it will take away his ability to pay. You can not squeeze blood out of a turnip.

Mr. PAYNE. Your organization was as strong in 1883 as it is now?
Mr. EBERHART. Yes, sir.
Mr. PAYNE. You could not prevent a reduction in 1883?
Mr. EBERHART. No, sir.
Mr. DALZELL. Suppose the tariff were lowered to the extent of driving out home competition, do you suppose the foreign manufacturers would give us glass at the same price it is now?
Mr. EBERHART. There is no question but what prices would be greatly enhanced in a short time.
Mr. DALZELL. You do not think it would put up wages over there. They put down wages over there when we raised the tariff; and do you not imagine that the workingmen would compel them to put it up?
Mr. EBERHART. The workingmen over there are just where a workingman in this country will be if protection is abolished. They have not even the power to combine, and so unite their strength.
The CHAIRMAN. I understood you to say that they had labor unions over there?
Mr. EBERHART. We have tried to assist them to an effective union and have spent thousands of dollars in assisting them, besides a great deal of time and labor.
The CHAIRMAN. You say you have spent money assisting them?
Mr. EBERHART. Yes, sir; thousands of dollars.
Mr. BURROWS. You say window glass was never so cheap as it is to-day?
Mr. EBERHART. It is my belief that there never was a time when window glass was selling so cheap as to-day. This is the best information I have.
Mr. BURROWS. Then our people are suffering who buy glass for a less price than they have ever been able to buy it for before?
Mr. EBERHART. It is lower than it has ever been before, and the manufacturers who have any glass on hand will not sell it, because the people who want it have no money to pay for it.

STATEMENT OF MR. PHILLIPS.

Mr. Phillips read a paper as follows:

NEW CASTLE, PA., *September 6, 1893.*

Hon. T. W. PHILLIPS and M. S. QUAY:

DEAR SIRS: We, the window-glass workers and members of local assembly No. 300, K. of L., at a meeting held on the 4th day of September, unanimously resolved that,

Whereas it is apparent that Congress is about to revise the tariff on window glass; and

Whereas we believe that a reduction in the tariff on window glass means a reduction in our wages; therefore, be it

Resolved, That we request that you as our representatives in Congress and Senate do protest before the Ways and Means Committee in behalf of the window-glass workers of United States that no reduction be made in the tariff so far as it relates to window glass.

CLARK E. GLEASON.
ALPHONSE W. REYNOLDS.
HORACE B. CLARK.
WILLIAM D. CAMP.
H. S. HAINES.
R. C. VIDEON.

GERMAN MIRROR PLATES.

(Paragraph 118.)

STATEMENT OF MR. ALFRED BLUM, OF 12 FIRST STREET, NEW YORK.

WEDNESDAY, *September 13, 1893.*

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: Our business is that of importing plate glass for the purpose of manufacturing mirror plates. About 90 per cent of the glass which we import, or nearly 90 per cent of the business which we do on plate glass is on sizes as you mentioned, 24 by 30 and below. The only reasons we import these sizes is on account of the American factories refusing to take orders for these sizes, or in other words, as Mr. Hitchcock stated, he does not manufacture any small glass at all. They manufacture very large sheets and the breakages or defective parts or pieces that are left of large plates are cut up and sold in that way. The principal object of my being here is due to the fact we bring in German looking-glasses. That is entirely a product of a foreign nation. We are informed that there is to be a change on that article, and the duty is to be either reduced or taken off so as to make practically no duty on it at all, which, of course, materially affects our business. For my part I can not see why there should be any duty on glass under 10 feet, that is, plate glass, and I think that the duty over 10 square feet, that is, 50 cents a square foot, is a very high duty, and I do not consider that duty right and necessary to protect the American manufacturer. I am not a manufacturer of plate glass, I will tell you that.

Mr. DALZELL. You are only interested in those two sizes?

Mr. BLUM. I am interested in all sizes, large and small; we import all sizes.

The CHAIRMAN. You are an importer, consumer, and seller?

Mr. BLUM. We manufacture mirror plates.

The CHAIRMAN. You sell to furniture factories?

Mr. BLUM. Entirely so.

Mr. GEAR. Where do you make them?

Mr. BLUM. Number 12 First street, New York.

Mr. DALZELL. Could you give us an idea of the sizes you have been importing?

Mr. BLUM. Yes, sir; they were mentioned by one of your committee, by the gentleman at the end; I do not know him.

Mr. DALZELL. Those are the sizes you have been importing?

Mr. BLUM. We have been importing all sizes, but I am speaking about the bulk of our importations, which have been sizes up to and including 5 square feet, which is 24 by 30; I should think that was 90 per cent of it.

Mr. DALZELL. Only 10 per cent of your imports were sizes above that?

Mr. BLUM. On account of this duty, yes, sir.

Mr. TURNER. Do you use any American glass for your mirrors?

Mr. BLUM. Yes, sir; occasionally.

Mr. TURNER. Is it equal to the other?

Mr. BLUM. Some is, yes, sir; but all glass does not run uniform. One shipment may be of a very fine quality and the next may not be equal to it, or may be superior to it.

Mr. TURNER. How does the cost of our glass compare, with the duty added, to the foreign articles of equal quality and grade?

Mr. BLUM. The quality is about equal.

Mr. TURNER. There is not much choice, then, whether you buy home or abroad?

Mr. BLUM. You can not buy at home; they will not sell to you here. They will not take any large order for a big shipment. That has been our experience. In fact no factory which manufactures here an article we could use for our business will take any orders from any of the manufacturers.

Mr. TURNER. Is this business of yours of silvering plate glass an extensive industry in this country?

Mr. BLUM. I think so; yes, sir. I think it is greater than the manufacture of plate glass in this country.

The CHAIRMAN. I understand when you get beyond 5 feet you find the tariff prohibitory?

Mr. BLUM. Yes, sir. Now, the duty on plate glass, say 24 by 60, that is exactly 10 feet square, is $2.50 a plate. When you go above that size the duty jumps to 50 cents a square foot.

Mr. TURNER. Are you familiar with the manufacture of plate glass on the other side?

Mr. BLUM. No, sir.

Mr. TURNER. You have no experience across the water?

Mr. BLUM. No, sir.

Mr. BURROWS. What did you say your business was?

Mr. BLUM. We are manufacturers of mirror plate, importing plate glass for that purpose; that is, the plate glass which we import we use for the manufacturing only.

Mr. BURROWS. Do you silver it?

Mr. BLUM. Yes, sir; bevel and silver.

Mr. BURROWS. Can you buy that glass in this country?

Mr. BLUM. Yes, we can buy it in this country from jobbers, but we can not buy it as we can import it.

Mr. BURROWS. Where is your place of business?

Mr. BLUM. Number 12 First street, New York.

Mr. BURROWS. How many hands have you actually employed?

Mr. BLUM. One hundred to-day.

Mr. GEAR. Are you the only man in that business in this country?

Mr. BLUM. No, sir; unfortunately there are many more.

Mr. GEAR. How many are there?

Mr. BLUM. There are more in that business than in the plate-glass business.

Mr. GEAR. More hands employed?

Mr. BLUM. Yes, sir; than in the manufacture of plate glass.

Mr. GEAR. Then there are over 8,000.

Mr. BLUM. Well, in different sections of the country, yes, sir.

Mr. TARSNEY. What is the effect of this condition which Mr. Hitchcock has just described in regard to the manufacture of large plate glass where he says they are compelled to cut up 50 per cent of the product into smaller sizes?

Mr. BLUM. Well, I can not explain that.

Mr. TARSNEY. Is it a fact?

Mr. BLUM. It is a fact they will not take any orders. They have had orders from our firm, not this particular factory, but other factories, members of this plate-glass association.

Mr. TARSNEY. I understand 50 per cent of the manufacture is cut up for causes stated by Mr. Hitchcock, so it must supply a considerable demand from dealers?

Mr. BLUM. The demand is so much in excess of their cutting, as you call it, cutting for breakages or defects, that it would not begin to supply.

Mr. DALZELL. What does the demand amount to?

Mr. BLUM. It is something enormous.

Mr. DALZELL. Can not you give the figures?

Mr. BLUM. What it amounts to for mirror plates?

Mr. DALZELL. What does the demand amount to for plate glass to be made into mirrors in a year?

Mr. BLUM. Oh, I suppose several million dollars' worth of mirror plates are sold.

Mr. BURROWS. Do I understand you to say the manufacturers would not take your orders?

Mr. BLUM. Yes, sir.

Mr. BURROWS. Do you know why?

Mr. BLUM. I do know why. In the first place, as near as I can understand, the manufacturers or members of the association have two classes of buyers; one class are jobbers and the other class is the class we come under, manufacturers. The jobbers can buy at much lower prices than we can as manufacturers, and to buy from them at their prices we can not compete on this market.

Mr. TARSNEY. This small-sized glass goes in your product?

Mr. BLUM. Yes, sir.

Mr. TARSNEY. If it is sold, as Mr. Hitchcock says, for one-half its cost there ought not to be much difficulty?

Mr. BLUM. I am prepared to say there is no American factory which will take an order for these sizes mentioned by the gentleman at the head of the table at prices they are selling for prompt shipment. If you order five hundred of one size and get one hundred in a shipment you are very lucky.

The CHAIRMAN. Have you completed your statement?

Mr. BLUM. Yes, sir.

ADDITIONAL STATEMENT FILED.

The so-called German mirror or German looking-glasses, known as silvered or looking-glass plates, for which this Government now charge the following duty per square foot:

Glass plates per square foot—	Cents.
Not over 16 by 24 inches square—384 square inches	6
Over 16 by 24, not over 24 by 30—720 square inches	10
Over 24 by 30, not over 24 by 60—1,440 square inches	35
All above 24 by 60	60

This so-called German looking-glass plate is the product entirely of a foreign nation, made mostly in Furth, Germany, and also in Holland, being manufactured and brought into this country in condition for immediate use.

The demand for these mirror plates is very large on account of their being in such competition against the same sizes of mirror plates manufactured by ourselves and other manufacturers in this country. There is no doubt that all of the manufacturers in this country would be perfectly content to allow the duty in these small sizes to remain as it is, without any change, on condition that Congress would double the duty on finished mirror plates coming into this country all sizes. As you have the statistics before you on all sizes of plate glass manufactured in this country, also imported in this country, you can form an idea for

yourself as to the consumption on these sizes. The duty on plate glass over 10 square feet at 50 cents per square foot is entirely unnecessary and unjust. A duty of 25 cents a square foot on all plate glass over 10 square feet would give the American manufacturers sufficient protection to manufacture, and do so at a profit. The plate glass under 10 square feet—there is no occasion whatever for having any duty on this at all, it being a raw material and in an unfinished state.

The German looking-glasses or silvered plates coming into this country are manufactured in Furth, Germany, handled exclusively by the German Looking-Glass Plate Company of New York City. This corporation have a large monopoly, all of the stockholders being millionaires. They are enabled through the present low tariff to sell a finished article manufactured entirely abroad a great deal cheaper than the manufacturers in our line can sell a same sized plate. For instance, you take a mirror plate, beveled, that you make in this country, as does all manufacturers in our line in this country—we can sell in large quantities an 18 by 40, 1¼ bevel, or 24 by 30, 1¼ bevel, at $3.20. The German-Looking Glass Company can sell the same sized plate to larger manufacturers in equal large quantities at $2.25 each, or, in other words, almost a reduction of 50 per cent lower than we can furnish the same article for.

In our judgment it will be well to just double the present existing tariff on all silvered plates coming into this country, or else take off tariff on all small sized plate glass and not reduce tariff on German plates at all.

Respectfully,

BLUM & TOCH.

THE KARGES FURNITURE CO.,
EVANSVILLE, IND., *September 12, 1893.*

SIR: It is possible that the subject of removal of duty from German mirrors (of from 5 feet and under) will shortly be considered by you. Should this be the case, we, the undersigned, wish to express our feeling opposing the same, for we are now buying a much better mirror of home manufacture at less money than we bought the German mirror from the monopoly of importers two years ago.

Yours, very respectfully,

KARGES FURNITURE COMPANY.
KARGES, *Secretary.*.

STATEMENT OF MR. LEO ASTRIAN, OF CHICAGO.

Mr. CHAIRMAN: At the last convention of the National Furniture Manufacturers' Association, held in St. Louis last June, a committee of three, consisting of Mr. F. Mohr, of New York, Mr. Joseph Sextro, of Cincinnati, and myself, were appointed to appear before you in the interest of our trade. We have a few complaints in regard to the way we are treated by the tariff laws, and we propose to let you gentlemen know where the shoe pinches. Let us say at the start we do not come here to ask protection. Our industry is practically one of the few that could stand upon its own bottom; we need no protection of any kind. The census shows we import about $400,000 worth of furniture, so that would

not make any difference, as far as imported furniture is concerned, as it does not come in competition with our trade. But we do ask that Congress ought to assist us in trying to gain an export trade for which we have been seeking so long and in vain. There are about 3,000 furniture manufacturers in this country, employing over 100,000 hands' and turning out annually $125,000,000 worth of furniture. In prosperous times it has been possible to find a market sufficient for all this furniture here, but when this last stringency came upon us the furniture industry was the first to feel it, and since the 1st day of June we have not turned a wheel in the city of Chicago, and to-day there is not a furniture factory running. They closed down at Grand Rapids, which is a great furniture center, as Mr. Burrows will bear me out. They closed down all over the country for want of an outlet. They have no other trade but the home trade, which now of course has left us for the time being. In order to help us to the export trade we ask merely to have German looking-glass plates, which enter largely into such articles as we can export, and which is used by the masses—cheap furniture—we ask to have that clause, including the size of 24 by 30, or 5 square feet and under, put upon the free list. The Mills bill favored it to this extent. They had a glass put on the free list of that size. We do not ask for free-listed glass larger than that, and I understand Mr. Hitchcock made a statement that they are not interested whatever in sizes under 5 feet. The chairman asked the question of Mr. Hitchcock why it is that most of the glass that has been imported comes under that size. The answer he has given is because you could not deliver it, and you do not care for that business.

Mr. HITCHCOCK. You mean silvered glass?

Mr. ASTRIAN. Yes, sir; we have no other object except that. Now, Mr. Chairman, the German plate is window glass, and comes here under the tariff called cylinder crown glass, commercially known as German looking-glass plate. Last year the importation of that class was 4,103,216 square feet, or value of $1,549,968. Seventy-five per cent of this total glass is under 5 feet, and that is what furniture manufacturers desire to have placed upon the free list. It comes in competition with nothing produced in this country; in thirty years' protection nobody has ever attempted to make a single establishment of it. There has never been an attempt to make it, and every sheet was imported and duty paid on 24 by 30, 10 square feet, or 50 cents on every plate entering into the cheap chamber sets selling upon the market from $8 to $10 for three pieces. These cheap chamber sets are the very sets we are trying to export, and that is the only class of furniture we can export, and which is in demand in the South American Republics and in Mexico and in the West India Islands. If your committee should see fit to make any recommendation to have this put upon the free list you will certainly relieve us from another great distress—relieve us from a trust formed in the city of New York which controls the entire sale of this German plate; a combination of five men who have control of the entire sale in this country, who squeeze us at their will and let us go at their will. They have placed the prices 30 per cent up after the passage of the McKinley bill and since that time and relieved the price only 10 per cent in the last month. It is hard for us when we know we are entirely dependent upon a trust, the German Looking-Glass Company of New York, who are squeezing us for all there is in it, and we desire to be relieved, and we hope the time is at hand when we will be.

Mr. DALZELL. Are they importers?

Mr. ASTRIAN. They are importers and manufacturers. They manufacture on the other side and at the same time they sell that output in this country.

Mr. DALZELL. I understand what you want put on the free list is German silvered glass?

Mr. ASTRIAN. That is all, sir, we desire.

Mr. DALZELL. Not glass for silvering?

Mr. ASTRIAN. No, sir; it competes with nothing. We want the German looking-glass plate under 24 by 30, 5 feet and under, put upon the free list because there is nothing to compete. There is not an objection filed by these gentlemen here, and nobody has come here to protest against it.

Mr. HOWARD (representing the Howard Plate Glass Company.) I take exception to that statement.

Mr. ASTRIAN. I did not know there was anyone who objected.

Mr. HOWARD. Every plate glass we make under 10 feet goes into this furniture. We are supplying this German looking-glass plate by a superior article than the article which Mr. Blum is fighting for.

Mr. ASTRIAN. I differ from your opinion; we can not use the French plate as a substitute for German. What the French plate is to the rich the German plate is to the poor, and why not give the masses the benefit of the cheaper article. We can not use the French plate for export because the weight is too great. In Mexico we have to pay duty by the weight and not ad valorem as we do here. That would hamper us and we could not use the small-size French plate; we are obliged to use the German plate, and for that reason we ask why not do it when there would not be a voice raised against free-listing that article.

Mr. BURROWS. I understood you to reply to a question of Mr. Dalzell that you wanted this glass after the silver was put on—silvered on the other side.

Mr. ASTRIAN. Yes, sir.

Mr. BURROWS. What is there to hinder bringing in that glass and taking off the silver and then its coming in competition with our window glass?

Mr. ASTRIAN. The expense of the silver itself in connection with putting it on the glass and taking it off will far overbalance the benefits to be derived.

Mr. BURROWS. Do you know what it costs to silver glass on the other side?

Mr. ASTRIAN. I am not positive; I know they figure it here at 12 cents a foot.

Mr. BURROWS. Do not you know it does not cost to exceed 3 cents?

Mr. ASTRIAN. Then they bamboozle us considerably in selling them.

Mr. BURROWS. Does it not cost even less than 2 cents?

Mr. ASTRIAN. I have to take the word of the manufacturers, and they tell me it is 12 cents.

Mr. DALZELL. Do you mean 12 cents here?

Mr. ASTRIAN. Yes, sir.

Mr. BURROWS. If it can be silvered for 2 cents there, and if the glass be imported as silvered glass and then the silver be taken off, would it not come in competition with window glass?

Mr. ASTRIAN. You must bear in mind that they would have to be repolished.

Mr. BURROWS. Would it not come in competition with our glass here?

Mr. ASTRIAN. I do not believe it would come in competition to any extent in those sizes.

Mr. BURROWS. One thing more. You say before these hard times you found the market for the furniture manufactured in this country among our own people?

Mr. ASTRIAN. To a great extent.

Mr. BURROWS. Well, substantially?

Mr. ASTRIAN. Yes, sir.

Mr. BURROWS. What did you say your business was?

Mr. ASTRIAN. A manufacturer of furniture.

Mr. BURROWS. Are you not in other business?

Mr. ASTRIAN. No, sir.

Mr. BURROWS. Are not you the agent of the importers of German silver glass?

Mr. ASTRIAN. No, sir.

Mr. BURROWS. Never have been?

Mr. ASTRIAN. No, sir.

Mr. BURROWS. Or in any way connected with them?

Mr. ASTRIAN. No, sir.

Mr. BURROWS. Or interested?

Mr. ASTRIAN. No, sir.

Mr. DALZELL. Can not you use this German imported silvered glass in making up furniture and then in exporting it get back a rebate under the McKinley bill?

Mr. ASTRIAN. No, sir.

Mr. DALZELL. Why not?

Mr. ASTRIAN. I have not heard of it. Then the amount would be too small to make these claims. Where we send four, five, or six sets to a dealer in Mexico or South America, it would be a great deal of work if we had to claim a rebate.

Mr. DALZELL. Did not you know you could get this under the McKinley bill?

Mr. ASTRIAN. I suppose so, but it would not be practical in our business for us to go to the custom-house and get a duty refunded of $3, and it would probably be too little money to make the effort.

Mr. DALZELL. Then your idea of the export trade you get is, it would be so small it would not pay to get the rebate?

Mr. ASTRIAN. We get a large export trade, but the individual retailers in those countires do not buy to a large extent. They buy five, six, or seven sets, probably, at a time, but the aggregate amounts to considerable.

Mr. DALZELL. The aggregate would amount to 99 per cent of the entire export trade, whatever that might be.

Mr. GEAR. Do not you ship by carload lots to Mexico?

Mr. ASTRIAN. No, sir. The demand down there is not such a one as to justify any one man to buy carload lots. They buy small quantities open freight.

Mr. TURNER. I understand your complaint is you ought not to have to pay the extra duty.

Mr. ASTRIAN. We ought not because the 24 by 30 is the size used for cheap chamber sets, which are used for export, and for the 24 by 30 it would be $2.50 for each of the sets, almost one-third of the entire value of the chamber sets.

Mr. BRECKINRIDGE. You are an exclusive manufacturer of furniture?

Mr. ASTRIAN. Yes sir.

Mr. BRECKINRIDGE. Why is not this kind of glass made in this country?

Mr. ASTRIAN. Well, there has never been any attempt to make it here. I do not know of a single step that has been made in all the twenty years I have been in business. I never heard of an attempt being made. I take it for granted that the polishing business, which is a very expensive one, is a great deal cheaper in Germany than it is here. Mr. Hitchcock has stated that the labor in polishing has no competition here.

Mr. BRECKINRIDGE. The glass of this size which is offered to you here appears to be a by-product to the making of larger sizes of plate glass?

Mr. ASTRIAN. Yes, sir.

Mr. BRECKINRIDGE. Are you offered some glass of this size by American manufacturers?

Mr. ASTRIAN. Yes, sir.

Mr. BRECKINRIDGE. But it is only such pieces as are sold out of the wreckage of the larger sizes of plate glass?

Mr. ASTRIAN. Yes, sir.

Mr. BRECKINRIDGE. Is that a higher priced article?

Mr. ASTRIAN. Yes, sir; it is a higher priced article.

Mr. BRECKINRIDGE. That may be termed a by-product of the manufacture of plate glass?

Mr. ASTRIAN. Yes, sir.

Mr. BRECKINRIDGE. And it is also a matter of importance in weight?

Mr. ASTRAIN. Yes, sir. There is much more weight to a cast plate than in German plate, probably 5 to 1.

Mr. BRECKINRIDGE. I would like to know to what extent this makes a difference in the price of the furniture which enters into it?

Mr. ASTRIAN. With the German plate 24 by 30 we would be able to sell a cheap chamber suit at $10. Now, with the French plate it would make $1.50 more.

Mr. BRECKINRIDGE. Suppose instead of using the French plate you use this plate glass of American manufacture, such as we have been talking about, what difference would that make?

Mr. ASTRIAN. About $1.50.

Mr. BRECKINRIDGE. You think that glass down to this point has been used under a kind of compulsion?

Mr. ASTRIAN. It is because they forced it upon us, and we have to use it to some extent.

Mr. BRECKINRIDGE. Our furniture manufacturers have a large export trade?

Mr. ASTRIAN. We had an export trade of $3,000,000 last year. Most of that, however, let me explain, was chairs.

Mr. BRECKINRIDGE. And have for a number of years?

Mr. ASTRIAN. Let me explain that. We were not able to export much chamber furniture——

Mr. BRECKINRIDGE. You mean last year?

Mr. ASTRIAN. Nor any previous time.

Mr. BRECKINRIDGE. Are you able to do any exporting now?

Mr. ASTRIAN. We are trying to, and we have made some headway in that direction, and it is for that reason we seek to get some relief.

Mr. BRECKINRIDGE. When you use this German plate glass in your export trade are you able to get a drawback for that glass?

Mr. ASTRIAN. We never attempted to get a drawback.

Mr. PAYNE. You could get it back, but you have not exercised diligence.

Mr. DALZELL. You could get it back.

Mr. ASTRIAN. I suppose so, but as I have stated before, the amount is so small and scattered that any claim we would put in would entail so much work it probably would not pay us to attempt it.

Mr. PAYNE. It is really a small thing.

Mr. ASTRIAN. The duty is a large thing, but most of the purchases in those countries are small.

Mr. PAYNE. It would be small to you.

Mr. ASTRIAN. Mr. Sextro tells me in order to get a drawback we must be importers ourselves.

Mr. DALZELL. Mr. Sextro is mistaken.

Mr. BRECKINRIDGE. It is well known that you can not get a drawback except on an identification of the goods.

Mr. TURNER. There is no provision to get a drawback on a finished article like that.

Mr. PAYNE. The glass is not the finished article, the furniture is the finished article. He gets the silvered glass and then completes it ready to use.

Mr. DALZELL. It goes into an American manufacture when it goes into a piece of furniture, and he is entitled to a drawback.

Mr. BRECKINRIDGE. This duty which you pay now on this German looking glass, the equivalent of which you say is not made in this country——

Mr. ASTRIAN. No, sir.

Mr. BRECKINRIDGE. Is that duty entered upon the cost of your furniture and charged to the American consumer?

Mr. ASTRIAN. Certainly.

Mr. BRECKINRIDGE. They have to pay that much more?

Mr. ASTRIAN. Certainly.

Mr. PAYNE. You say it is not made here?

Mr. ASTRIAN. No, sir.

Mr. PAYNE. So it is purely a revenue duty?

Mr. ASTRIAN. It seems to be a duty for revenue.

Mr. PAYNE. That is this glass.

Mr. ASTRIAN. Yes, sir. It is cast cylinder or blown cylinder glass.

Mr. GEAR. You have no foreign competition in the manufacture of furniture?

Mr. ASTRIAN. Not for our own.

Mr. REED. Are you asking us to take off a revenue duty?

Mr. ASTRIAN. Well, it can not be called a protective duty, because there is no industry here competing with it.

Mr. REED. We are not doing that now; that is not our line.

Mr. GEAR. The reason you are able to hold the home market and also get what exports you have is that because of the favorable conditions of the timber of this country?

Mr. ASTRIAN. Yes, sir; to a considerable extent.

Mr. GEAR. Is it not to a large extent?

Mr. ASTRIAN. Well, and the favorable condition of machinery.

Mr. GEAR. With the exception of mahogany and baywood, you have the only timber in America that is adapted to furniture work?

Mr. ASTRIAN. Yes, sir.

Mr. GEAR. No other country can compete with you in the manufacture of furniture?

Mr. ASTRIAN. No, sir; we are ahead of any in the world.

Mr. GEAR. You can export wherever you can find a market?

Mr. ASTRIAN. Yes, sir. Mr. Chairman, I desire to call your attention to another article which the manufacturers of furniture——

Mr. TARSNEY. Before you leave that point. In your judgment what was the entire value of that polished silver glass consumption of the United States in 1891?

Mr. ASTRIAN. I have not got the figures for 1891, but I have them for 1892. It is 4,103,216 square feet.

Mr. TARSNEY. Can you approximate what it was in 1891?

Mr. ASTRIAN. I suppose it would be the same 4,103,216 square feet.

Mr. TARSNEY. What was the value of that?

Mr. ASTRIAN. $1,549,968.

Mr. TARSNEY. The importation of that kind of glass in 1892 was 4,282,855 feet, notwithstanding these plate glass manufacturers sold 50 per cent of their product at half cost?

Mr. ASTRIAN. Well, I am not familiar with it. The article I wish to call your attention to is mahogany lumber. That certainly is an article which can not be grown here by legislation.

Mr. PAYNE. We have struck another revenue duty, have we not?

Mr. ASTRIAN. I furthermore think that none of the gentlemen would contend that it is a protective duty, nor is it a duty for revenue.

Mr. PAYNE. Is it not used largely by rich people?

Mr. ASTRIAN. It is used for rich people.

Mr. PAYNE. Robber barons and all that class of people.

Mr. ASTRIAN. Well, I wish to call attention, we are manufacturing for the rich and the poor.

Mr. DALZELL. You do not manufacture mahogany furniture for the poor?

Mr. ASTRIAN. No; but we would like to benefit the poor so that the poor people might have some chance to use it.

Mr. GEAR. What is the duty on mahogany logs?

Mr. ASTRIAN. There is no duty on that, but on sawed lumber it is 15 per cent ad valorem.

Mr. GEAR. You do not want to give the American workmen an opportunity to saw that lumber?

Mr. ASTRIAN. The cost of sawing a thousand is $2, and as protected to that extent we are satisfied.

Mr. GEAR. What is the value of mahogany lumber?

Mr. ASTRIAN. We have to pay for it about 20 cents a foot. The reason we object to buying logs is we get fooled. We buy apparently sound logs, and when we get them here and saw them we find they are bad, cracked, knotty, and faulty. We have no other motive in asking this duty should be removed except that under the present law we do not know what we are buying.

Mr. GEAR. Can you saw the veneers for $2 a thousand?

Mr. ASTRIAN. We do not speak about that; we are speaking about seven-eighths stuff.

Mr. GEAR. A large consumption of the mahogany used in this country is used for veneering?

Mr. ASTRIAN. Because we can not use the solid stuff under this law.

Mr. GEAR. You make imitation bedsteads of mahogany?

Mr. ASTRIAN. Oh, that time is past.

Mr. REED. Are the logs sawed in this country?

Mr. ASTRIAN. Yes, sir; and the cost of sawing is $2 a thousand feet of lumber.

Mr. REED. Is it all sawed here?

Mr. ASTRIAN. Yes, sir; it is sawed here.

Mr. REED. Then there is no duty?

Mr. ASTRIAN. There is no duty on round logs or hewn logs, but there is a duty of 15 per cent on the sawed timber.

Mr. REED. What you want is to have it sawed somewhere else?

Mr. ASTRIAN. So when we get the lumber we can see what we are getting.

Mr. REED. And you can not see it when it is sawed here?

Mr. ASTRIAN. But we have to pay for the faulty stuff which these people buy, and which we can not help buying.

Mr. REED. Do not you have to pay for bad lumber sawed, too?

Mr. ASTRIAN. No, sir; not to that extent.

Mr. GEAR. Is it not more convenient, as a matter of fact, to import logs or square stuff than veneering, cheaper freight and cheaper in the handling?

Mr. ASTRIAN. We could not get veneering sawed down there.

Mr. GEAR. I guess you could get it if you took off the duty fast enough.

Mr. ASTRIAN. We do not use any veneering to amount to anything in our business.

Mr. GEAR. It is largely used in the country.

Mr. BURROWS. A statement was made before the Committee on Ways on Means in 1890 as follows, and I will ask you whether it is true or not: "Mahogany has been imported into this country for more than fifty years as raw material, free of duty when brought in the shape of logs. The logs are by expensive machinery and by skillful labor reduced to a different form by a process of manufacture, which at the present time employs several thousand skilled laborers and a capital invested in plants to the extent of many millions of dollars. The amount of wages paid to skilled mechanics in this particular line of industry averages from $2.50 to $5 per day. The machinery necessary for the manufacture of this peculiar wood is of a very expensive character." Is this statement true?

Mr. ASTRIAN. I suppose it is true, substantially.

The CHAIRMAN. Referring to this export trade, you say that was largely chairs.

Mr. ASTRIAN. Yes, sir. To a great extent we exported chairs.

The CHAIRMAN. Now, the wages paid for the manufacture of chairs and other furniture, how do they compare with the ordinary wages of this country?

Mr. ASTRIAN. I believe there is a large difference in the wages paid here and those paid abroad.

The CHAIRMAN. I am not speaking of the comparison between this country and abroad, but do you pay to the workmen who make chairs and other furniture as large wages as are ordinarily paid to skilled mechanics in this country?

Mr. ASTRIAN. Yes, sir.

Mr. REED. What is your standard of ordinarily skilled paid mechanics. You have been asked to make a comparison with an ordinary skilled mechanic, now what is your standard?

Mr. ASTRIAN. $2.25 to $2.50 a day, as prevailing in furniture factories.

Mr. REED. I am not talking about furniture factories.

Mr. ASTRIAN. I suppose so.

Mr. REED. You suppose; do you know?

Mr. ASTRIAN. $2.25 to $2.50 a day.

Mr. PAYNE. Are chairs largely made by machinery?
Mr. ASTRIAN. Largely so.
Mr. PAYNE. And the material from which they are made is cheaper here than in any other country on the globe?
Mr. ASTRIAN. Yes, sir.

GERMAN MIRROR PLATES.

(Paragraph 118.)

STATEMENT OF HON. GEORGE F. RICHARDSON, REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN.

WEDNESDAY, *September 20, 1893.*

Mr. CHAIRMAN: I have received a number of communications from manufacturers of furniture in the city of Grand Rapids, where I live. They desire me to present some facts to this committee before the close of these hearings, and I would like to have done so under more favorable circumstances. I recognize that the committee is wearied with long sittings and much argument, but I feel that it is my duty to speak of this important industry in my district, and to call the attention of the committee in a few remarks which I have prepared, and which, on account of the lateness of the hour, I will submit to be printed.

The city of Grand Rapids is now leading the manufacturers of the world in point of its industry in furniture. These manufacturers are taxed, instead of protected, by the duty levied upon the materials which they are necessarily obliged to import. They wish to have this removed, particularly upon burlaps and German glass, all of which they afe compelled to import. Other materials are extensively used in this industry. It is a perfectly proper request to make of the committee and of this Congress. I have secured statistics of this industry, and I find that they pay on an average 30 per cent to labor for every dollar of product that goes to market. While the other industries are protected to the extent of 22 per cent, these industries have to pay a tax. I have prepared these figures, which I think are of interest upon this subject, and, owing to the fact that the committee is pressed for time, I will submit them to be printed.

In behalf of the manufacturers of furniture in the cities of Grand Rapids, Holland, and other places in the Fifth district of Michigan, and at their request, I appear before you.

The city of Grand Rapids now has a population of 100,000. It is a great railroad center, situated on Grand River, the distance by which river to Lake Michigan is about 40 miles. Grand Rapids is an important manufacturing town, having over 1,000 factories employing an aggregate of 15,000 hands. The output of these factories approximates $12,000,000 per annum. The wages paid amount to nearly $5,000,000 yearly.

The principal industry is the manufacture of furniture. So extensively is this industry carried on that Grand Rapids has become the first city in the world for the production of furniture. The wages paid in this industry average 37 per cent of the value of the total product, which is greatly in excess of the general average, which, for 1880, was but 17 per cent. I would be pleased to give the general average for 1890, but the aggregate value of manufactures and the aggregate of

wages paid therefor have not yet been tabulated by the Census Department, but for some of the leading industries the wages paid show the proportion to the value of the products as follows:

The average for all branches of woolen goods is 22.7 per cent. The average labor cost for all silk products is 21 per cent; for chemicals is 20 per cent only; for the products of Cotton factories labor was paid 26 per cent; for combined textiles, 24 per cent. The value of the products of all the various factories as shown by a preliminary table, prepared by the Census Bureau at my request for 1890, was $6,259,954,579; wages paid, $1,553,858,962, equal to 24.8 per cent.

Furniture dealers in Michigan sell their goods chiefly in this country, but they have some trade in all parts of the world, and desire more. In the matter of tariff they are handicapped instead of being protected. They ask an even show with the producers the world over. They find the tariff on looking-glass plates and burlaps a grievous tax. They desire that burlaps and German looking-glass plates be placed upon the free list, and the rates upon French plates greatly reduced.

German looking-glass plates are imported into this country, both beveled and plain. It is a kind and quality of glass not made in the United States. It is a blown glass and the bevel is ground on it with wheels after it has been flattened and polished. I have here a sample marked "I." Upon this glass there is charged a duty of 6 cents a square foot on size 16 by 24 and under, making the duty equal to 16 cents a plate of that size. Above 16 by 24, and not exceeding 24 by 30, or 5 square feet, 10 cents per square foot, equal to 50 cents a plate; above 24 by 30, but not exceeding 24 by 60, or 10 square feet, 35 cents per square foot, equal to $3.50 per plate; all above the 24 by 60 size, 60 cents per square foot.

When the McKinley tariff law went into effect, the custom officials levied an additional ad valorem duty of 10 per cent, but by special decision of the Treasury Department the ad valorem duty was remitted from German looking-glass plates.

The standard sizes used by furniture manufacturers are plates 24 by 30, 18 by 40, 18 by 36, and 20 by 24. Other sizes are also used somewhat. The average tax per plate as used approximates 50 cents each for the more common sizes, and upwards of $3 for the large sizes.

All of the German plates are imported. The principal places of production are in and near Fuerth, Bavaria, and at Amsterdam, Holland.

This sample, marked "II," is called "French looking-glass plate," and is imported in small quantities, beveled and silvered. Upon plates of this kind the specific duty is respectively 5, 8, 25, and 50 cents; if silvered, it is higher, and an additional 10 per cent ad valorem duty is charged if the glass is beveled, so that imports are of the plain glass, then silvered and beveled for market in this country. This quality of glass for silvering is principally made abroad. Considerable American plate glass is also being used, but it does not compare with the foreign product. About 35 per cent of the mirrors now used are of American glass, the balance—65 per cent—being imported. Factories making the finer grades of furniture prefer to use only the imported glass. The principal place of production of American plate glass is in and about Pittsburg. The Creighton factories turn out the best. Some plate glass is also made at the Depauw plate glass works at New Albany, Ind., and also at Kokomo, Ind., but the quality is not good enough for silvering.

The duty upon the French plates is so high as to prevent importing in silvered glass in sizes above 5 square feet, and even these sizes can

not be imported to advantage. The so-called French plate is a cast glass and the beveling is usually put on by hand, although lately wheels have been somewhat used, but by the use of wheels a perfectly flat bevel is not produced, but rather a hollow bevel similar to that seen on the German looking-glass plates.

The average duty paid, as shown by the report of commerce and navigation for the year ending June 30, 1892, on actual imports, was equal to 51.2 per cent of the value of the imports of plate glass unfinished and unsilvered, thus increasing by over one-half the cost of one of the principal materials used in the manufacture of furniture.

I have not been able to procure from the Census Bureau data by which to determine the value of looking-glass plates produced in this country and the wages paid; so I am unable to state the proportion of the wages to the value of the product. I will furnish the committee with the figures as soon as I can procure them. The production of plate glass, as shown by the census of 1880, was equal to 13 per cent of the total glass product of America, and the wages paid for the entire American glass product was, for that year, 42 per cent of the value of the output.

This sample, marked "III," is commonly known as French sheet glass. It is a piece of blown glass, such as is used for cars, coaches, and window glass, and is much used by furniture manufacturers in their cabinet work. It is imported clear, as shown in the sample. Upon shipments of this glass, containing the average sizes used, a duty of 124 per cent is paid, and on sizes 26 by 28 to 30 by 30 the duty is as high as 188 per cent. This glass comes in competition with American glass, but the duty is manifestly too high when the labor cost is but 42 per cent of the value of the product.

Here is a small sample of burlap such as is chiefly used by furniture manufacturers for wrapping and packing their manufactures. The price is from 3¾ to 5 cents per yard. The duty averages about 30 per cent upon the value of the goods imported. The jute is grown in India. An inferior quality of burlap is made in Calcutta, but the principal product used in the United States is made in Dundee, Scotland. These goods are not made in the United States, so that a tax upon them is a tax upon a leading industry of our country, that pays the producers in wages a much larger proportion of the value of the goods made than does the average of manufactures that are in reality protected. Our manufacturers ask that German plate glass and burlaps be placed upon the free list and that the tax be greatly reduced upon French looking-glass plates and French sheet glass.

Mr. PAYNE. The furniture people want a tariff on their production?

Mr. RICHARDSON. I would not come here to pray for that.

Mr. PAYNE. Are you aware that the United States census report counts labor in the various stages of manufacture?

Mr. RICHARDSON. I understand that fully.

Mr. PAYNE. Do you know that while the census returns take in all the labor, only in one instance do they count the raw material?

Mr. RICHARDSON. They count it every time it is used.

Mr. PAYNE. Labor is only counted once. The labor, for instance, of making a yard of goods is counted once in the factory where the cloth is made. It is counted next in making the cloth, and it is counted as cloth and as clothing, so that the percentage of labor is not counted accurately at all.

Mr. RICHARDSON. I understand that to be so. If we pay 18 per cent for labor to make a yard of cloth, and I pay 18 cents for weaving that yard of cloth, and then we pay 18 per cent on the manufacture

of clothing, so the value of the clothing already made will be so great that the wages paid to the man in the wool clothing and the making of the clothing would not be more than a relative proportion to the same product. If 20 per cent is paid for the making, and 20 per cent is paid on the cloth, 20 per cent on the clothing, each is taken into consideration.

Mr. PAYNE. Is that the proposition on which you build your theory?

Mr. RICHARDSON. Yes, sir; and I propose to defend it.

Mr. PAYNE. I wanted to know on what you built your theory.

Mr. RICHARDSON. Yes; that is it.

Mr. PAYNE. Do you know that burlaps is a large industry in the United States?

Mr. RICHARDSON. Not of the class used at these manufactories. They are all imported.

Mr. PAYNE. The making of burlaps is a large industry in this country.

Mr. RICHARDSON. Somewhat.

Mr. PAYNE. I suppose that any tariff bill admitting part of them free and putting a duty on the other part would be impossible to enforce?

Mr. BRYAN. They would get a rebate, like the salt on fish.

Mr. RICHARDSON. I do not think the manufactured burlaps in this country is very satisfactory. I will present all this in a paper from the Census Bureau, which I will submit.

PLATE GLASS.

(Paragraph 115.)

THE METROPOLITAN PLATE GLASS INSURANCE COMPANY OF NEW YORK,
New York City, September 22, 1893.

SIR: I beg to submit a crude abstract of my views relating to the production of plate glass, now almost solely manufactured in this country, on account, as I may say, of a prohibitory tariff, which was presented to my board of directors at their annual meeting last January.

The cost of plate glass holds about the same, showing a little weakness in price, which is now almost wholly produced in this country. Under the old tariff law the duties averaged from 120 to 160 per cent on its importation, which allowed importers to send their material to this country in competition with our producers, affording them only a small margin of profit. The subsequent modification of the tariff laws made the importation from England, France, Germany, and other places in Europe prohibitory; that is to say, it cut off foreign importation as a general commodity to this country.

With a duty now of about 160 per cent we would naturally suppose that the consumer would, through our own production, receive a substantial benefit; but this condition of affairs is not realized by them, as the old prices are well maintained under a duty of at least 160 per cent as before referred to, by our manufacturers, through a thorough combination of the different plants in this country. In fact there is now one of the largest, located in Pennsylvania, owned and controlled exclusively by English capitalists, as well as having mostly foreign employés.

A rumor is now rife, while writing, that the manufacturers are now encouraging a combination with some of the wholesale dealers in this city for the sale of this vitreous article still further to increase its price, thereby creating a double monopoly in the production and sale of plate glass; therefore is it not well that some protection should be extended to the consumer by a modification of the tariff laws?

While I favor a reasonable encouragement to our home industries, at a fair cost to the consumer, and the encouragement of our own artisans, I do not think it equitable or beneficial that a revenue should be so imposed as to create monopolists, or any act that will have a tendency to bring foreign workers to this country to supplant our own countrymen in the cost of producing or manufacturing articles or wares that are marketable.

In short, a reciprocity in trade, I believe, would lessen the cost of the necessaries of life and give at least the producers of the soil a more staple and profitable market for their products. I have attempted to show in this digression that the cost of plate glass is too onerous, in my judgment, on the consumer. I will add that there is no superior material known than is at hand of the manufacturers at their works for the production of plate glass. With foreign experts or workmen, I can safely state, that it is equal to any manufactured in any country, and has always commanded about the same price.

I am strongly of the opinion that a reduction from the present rates of 25 to 30 per cent upon this article of merchandise would give our manufacturers a fair profit for their productions in competition with foreign producers or importers.

Yours, truly,

H. HARTEAU,
President.

WEDNESDAY, *September 13, 1893.*

STATEMENT OF MR. ETHAN A. HITCHCOCK OF ST. LOUIS, MO.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I simply desire to read and file the following statement:

WASHINGTON, D. C., *September 13, 1893.*

Hon. W. L. WILSON, *Chairman,* and members of the Ways and Means Committee:

Mr. CHAIRMAN AND GENTLEMEN: I neither intend nor desire to weary or worry you on the suject of plate glass, but have asked for the hearing so kindly granted simply because absence or silence on the part of its representatives might be construed as indifference on their part and thus lead to such action of the committee as would greatly jeopardize, if not destroy, an interest which, by judicious tariff legislation, has reached gigantic proportions.

We ask you on behalf of this interest, as well as the labor interests so closely identified with us, not to disturb the existing rates of duty on plate glass, and we justify the request by asserting that we have already accomplished what you would seek to secure by reducing rates, viz, lower prices to the consumer, which prices are to-day less than one-half what they were ten years ago, while no change or reduction whatever has been made in either the tariff or in the rates paid for labor done by our employés.

The explanation is simple enough, and easily stated:

The success of former years induced and resulted in the establishment of such an additional number of plants as to increase the output, and consequent competition, to an extent that compelled manufacturers to resort to and adopt every available improvement in machinery suitable for their business; to reduce the cost of steam power by expensive condensing apparatus; to invent and put in operation automatic appliances for handling raw and waste material; to substitute and utilize certain

kinds of the latter in place of the former; and finally to obtain the raw and manufactured materials used by them at figures which can not be further reduced, while, of course, steadily increasing output has further tended to reduce the selling price.

In this way has the American manufacturer reduced cost and given the consumer the benefit of the result, as is shown by the decline in prices above referred to, until there now remains but one direction in which cost can be further reduced, and that is by a reduction of wages, which, during the existence of the present tariff have not been disturbed nor varied, but which must feel the full effect of any blow you strike against this industry, all other means for reducing cost having been exhausted.

This is the one point I wish to emphasize, and shall be pleased to supplement and further explain the statement I have made by answering any questions, or by giving such details as will the better enable you to understand and appreciate the present situation of the plate-glass industry.

I am, your obedient servant,

E. A. HITCHCOCK, *President.*
For THE CRYSTAL PLATE GLASS COMPANY.

That, Mr. Chairman, is all we have to say for the moment, but I shall be very glad to explain to any member of the committee the present situation in respect to the number of plants, where located, etc.

The CHAIRMAN. We will be glad to hear you in regard to the number of plants, where located, where you get your raw materials from, wages of labor, and things of that sort.

Mr. HITCHCOCK. There are to-day eight corporations in the United States, operating twelve plants. These plants are located, four in Indiana, seven in Pennsylvania, and one in Missouri. The capacity of these plants to-day will represent 18,000,000 feet of plate glass. The labor employed in these plants is from various countries, principally now, however, from America. The material used, with the single exception of soda ash, is all manufactured in this country, and I am glad to say there is now building in this country a large soda-ash plant, which all the plate-glass makers, as well as other users of soda ash, hope will be a success, because we desire to see all of our industries built up.

Mr. DALZELL. Where is that?

Mr. HITCHCOCK. In Michigan.

Mr. GEAR. Do not you get a large amount of gypsum from Iowa?

Mr. HITCHCOCK. We get our plaster (which is burnt and ground gypsum), the article which holds the glass on the table, from Iowa, and we get our felt, which polishes the plate glass, from New York, and we get our coal from Illinois and Pennsylvania. Our works were located on the Mississippi River, 30 miles below St. Louis, because of the extraordinary deposit of white sand found there, and extending from the river some distance back into the woods. At first there was simply a log cabin there, and the land could be purchased at $5 to $10 an acre, while there is now there a village of 3,000 people and no land can be bought for less than $100 an acre. With reference to your next question, viz, the raw materials used and where obtained——

The CHAIRMAN. And the number of hands employed in this industry and the wages.

Mr. HITCHCOCK. The capacity I have stated is 18,000,000 feet. That capacity is made by some 800 pots, and the average men employed to the pot is ten, so that we employ about 8,000 people, and it is fair to estimate one man represents a family of three and a half, so that there is directly and indirectly interested in this industry 28,000 to 30,000 people. It provides a livelihood for that number of people. These figures are nothing compared with the number of employés mentioned here by the iron and steel interests, but to each individual who is employed any action by your committee which will affect wages is just as important to our 25,000 people as to their 2,000,000 or 3,000,000.

Mr. GEAR. You give employment virtually to a large number who are preparing the raw material, in the mines, etc.?

Mr. HITCHCOCK. I was going to refer to that; I have referred only to the direct labor. The fact of the matter is, about 85 to 90 per cent of the cost of producing plate glass is represented by labor directly or indirectly. For instance, our sand has to be quarried, the coal and gypsum has to be mined, and the latter calcined, and all transported from distant points. You are all familiar with the extent to which labor enters in the matter of transportation, so that the total labor cost involved in the manufacture of plate glass is about 85 to 90 per cent.

Mr. STEVENS. That is on the whole industry?

Mr. HITCHCOCK. Yes, sir; I shall leave with the committee a statement of comparative wages paid in Belgium, England, and America at the present time, and you will at once see how largely we are handicapped in the matter of wages. This statement represents thirty-six different occupations, beginning at the first step and ending with the last in the process of manufacture, but it takes only one man in each instance for comparison, and does not represent the whole number of men employed in each position indicated. This statement shows that the American manufacturer is to-day paying 120 per cent more for labor on this one-man basis—that is a man here and a man there—than is paid in England, and 167 per cent more than is paid in Belgium. But the actual pay rolls in each country show that there are a greater number of high-priced men than low-priced men, so that if you take the full pay roll of our works in comparison with a pay roll representing the same work in England you will find a difference in dollars and cents in rates paid amounting to more than 200 per cent, while in Belgium the difference will be nearer 300 per cent. These figures are not guesswork, and are not taken at random. The manager of one of the leading Belgium works was here within ninety days. He visited the American manufacturers and in return for information freely given to him he gave information to us. He gave the cost as to employés, where worked, and what paid. That list on this basis makes a difference, as stated, on the one-man basis, of 167 per cent. Not only that, the American workman begins to work Monday morning at 6 o'clock and stops at 12 o'clock on Saturday, in order he may go home, attend to his personal and family affairs, and get ready for Sunday. The foreign workman begins on Monday morning at 6 o'clock and he stops the following Sunday morning at 6 o'clock, so that, besides the difference in wages' the foreign manufacturer secures a gain in product represented by eighteen hours' extra time per week, namely, from 12 o'clock noon Saturday until 6 o'clock Sunday morning. Eighteen hours multiplied by four weeks in the month makes seventy-two hours. Seventy-two hours amounts to seven days of ten hours each and two hours over, and seven days in the month means 25 per cent more production. Now, if you add the 25 per cent increased production to these comparative prices for labor, you will see at once how our labor cost is excessive. Take special departments—our founders, who are the men who melt the glass. In Europe that founder turns out 2,600 feet against the American 2,000 feet; there is a difference of over 30 per cent right there. Take the men who cast the glass. The day's work of this gang is forty-eight pots abroad, while in this country a corresponding gang casts twenty pots as a day's work.

The CHAIRMAN. Why is that?

Mr. HITCHCOCK. Simply because in England the manufacturer de-

mands, and gets, forty-eight pots as a day's work, while in this country custom has established twenty pots as the day's work.

Mr. DALZELL. How long does it take them on an average?

Mr. HITCHCOCK. The time required varies with the seasons of the year. The men begin to cast these pots as soon as they can see, which is at 5 or 6 o'clock in the morning, say in the spring, and by 12 o'clock that whole gang has finished work and gone home. They are paid for that specific service. I will tell you what we pay. The leading man engaged in casting those twenty pots earns $65 a month, and on the other side he gets $44. That is a difference of 47 per cent. That is one of the smallest percentage differences on the statement submitted, but on the other side they get forty-eight pots and we get twenty pots, so that if you take the product with the price paid for labor it makes over 200 per cent in favor of the foreign manufacturer. It puts up that labor item to an enormous figure. There are other differences quite as hurtful to us; for instance, the wages paid the very first man on the list—the man who makes the pot—upon which largely depends the success of glassmaking. If you do not get a good pot it will not stand the fire, and if there are any imperfections in it it breaks quickly and its contents, with the cost of the pot, are lost. Potmakers are paid in England $30 a month, and we pay on this side $100 a month. The percentage of difference is 233 per cent, and so it goes on down through the list. There are material variations in this list of thirty-six different kinds of occupations in the respective works in the countries named. You will note that we pay from 44 to 306 per cent higher wages than are paid abroad, the greater part being nearer the higher than the lower percentage—not taking into account the largely-increased product obtained abroad, as I have just explained. I am reliably informed that the Belgian pay roll will average 65 cents per day to the man, while in England the average is 83 cents. The average of our pay roll at our works is $1.85; such is the actual difference in the pay rolls here and abroad.

I repeat, the only special point we wish to emphasize is that we are not making any idle assertions; we are not here to influence the committee, except to say that we have exhausted all other means of reducing cost. We have reduced cost fully one-half to the consumer, and the next step must be in the direction of labor.

I may have anticipated some questions which may be asked, but shall be glad to make such further explanations as may be desired. So far as present rates of duty are concerned, they have existed ever since I have been in the business, some eighteen years. The present rates are not prohibitive, as is shown by the fact that last year, with an actual consumption of about 15,000,000 feet of plate glass, about 2,500,000 feet were imported and sold in this country from abroad. Now, if the rates were prohibitive, why and how did these 2,500,000 feet get into this country? If these rates are reduced the price of foreign imported glass will be reduced, and just in proportion as that is reduced we must reduce our prices or close our works or get the difference from labor. We do not want any contest with labor. I do not sympathize with the statement made here by Mr. Wharton in respect to pauper labor. I think a statement of that kind, unless explained in some way, should be corrected. The case he mentioned, of Krupp's establishment in Europe, is exceptional. We do not claim pauper labor prevails in England or on the continent; but it is not fair to take a notable and praiseworthy exception, like Krupp, and cite that, and say there is no material difference between the labor of this country or in England or in

Europe. The fact is that in some of these factories abroad women are employed at a rate of 30 cents a day, men are employed at less than 70 cents. We can not ask workmen in this country to take such wages; we do not want to ask them to take any such wages, because we think we would be doing ourselves as great an injury as we would be doing them.

Mr. PAYNE. Krupp is protected by patent methods of manufacturing?

Mr. HITCHCOCK. I believe so.

The CHAIRMAN. The largest importation of plate glass in 1892 seems to have been two particular sizes—16 by 24, 24 by 30. Is there any reason for that?

Mr. HITCHCOCK. I do not know that there is any special reason, except, perhaps, that those sizes are most largely used for silvering by the manufacturers of furniture.

The CHAIRMAN. You make all sizes?

Mr. HITCHCOCK. We try to make the largest sizes, but, unfortunately, there is much risk involved in its manufacture, and plate glass is a very delicate and difficult thing to handle. Our object is to cast as large plates as possible, and we put the equivalent material for 125 feet in a pot. We cast on a table which will take the whole of it, and as far as possible try to get that plate out and finished without breaking, because the value is more the larger the plate. After casting on an iron table 12 by 18 feet, the glass is pushed from the table into the kiln and there it remains three or four days to anneal, after which it is drawn from the kilns, placed on racks, and is ready for the next process—grinding—and after that, and on separate tables, polishing. Each step unavoidably increases the risk, not only the risk to us but risk to the men who handle the glass.

The CHAIRMAN. Let me ask you on that point. Do the workmen have to stand the defects in that glass?

Mr. HITCHCOCK. Not at all.

The CHAIRMAN. You said something about that?

Mr. HITCHCOCK. We take the whole risk. I suppose you mean imperfections that might be found in the glass?

The CHAIRMAN. I mean whether there is any risk thrown upon the workman in the way of pay?

Mr. HITCHCOCK. No, sir; not a bit. If a man demonstrates that he is capable for the position he occupies he is retained. We have, in fact, had to teach a great many, this being a new industry in this country. If he goes on and makes glass of such character that we can not sell it, like any other business corporation we get somebody else to take his place. Besides the risk of breakage and loss by handling the glass so frequently in the course of casting, grinding and polishing, serious loss is sustained by having to cut the large plates down to smaller sizes because of imperfections, such as "bubbles," "seed," "ream," "streaks," and plenty of other defects not discernible until the glass is nearly finished, and every time you cut that glass you reduce its value, the fact being that fully 20 to 25 per cent of the glass that we make is so reduced in size by breakage and cutting for defects as to prevent us getting more than half of its cost, or, in other words, sell at a great sacrifice.

The CHAIRMAN. That makes the glass 10 by 12 feet.

Mr. HITCHCOCK. You mean feet?

The CHAIRMAN. You say you try to make each plate 125 square feet?

Mr. HITCKCOCK. We try to cast as large plates as possible. The larger it is the more valuable it is.

These plates, next taken to the grinding department, where we both grind and smooth it, involving two handlings of the glass, each side having to be treated. The risk is in handling such large plates, and it results in a great deal of breakage. I think the breakage in that department alone averages 10 per cent. Then it is taken to the polishing department, and there a double handling takes place again, and there the risk increases, as by grinding these large plates are reduced one-half in thickness. Again, we have to take the risk of turning it from one side to the other. Then, added to that is the washing, cleaning, packing, etc., so that the 125-foot plate which you take out of the kilns may be reduced to many very small plates by the time it is ready to box and ship. When you take all these contingencies into consideration, namely, cutting the glass to match on the tables, breakage in the kilns while annealing, breakage while handling the glass at least twice in each of the several departments, and the loss by cutting for defects, I think I may safely say that the aggregate loss on the product with which you started will fully equal 50 per cent, while of the remaining 50 per cent fully 20 per cent will be in glass under the 10-foot bracket.

The CHAIRMAN. Where do you sell your glass which you make in your works?

Mr. HITCHCOCK. Our particular factory sells its glass in the North, West, and East, but hardly any in the South. Other factories, I believe, have the Southern trade. We sell our glass direct to representatives in Detroit, St. Louis, Chicago, New York, and Philadelphia. We do an exclusively wholesale or jobbing business.

The CHAIRMAN. Who supplies the market of the Pacific coast?

Mr. HITCHCOCK. That comes from England, I believe, almost entirely. The cost of transportation and the risk of handling glass across the continent is such that we can not get there.

The CHAIRMAN. Then this importation here is probably for the Pacific coast largely?

Mr. HITCHCOCK. Yes, sir. While I do not say that—Mr. King, how is that?

Mr. KING. Largely so.

Mr. HITCHCOCK. Largely so on the Pacific coast. The statistics which we have here were obtained from the New York custom-house. In that connection, gentlemen, I would like to state for the benefit of some of the members who may be under the impression that the present tariff is equivalent to 150 per cent duty that the average duty on the 2,500,000 feet imported for the twelve months ending July 31, 1893, will average about 50 per cent.

Mr. DALZELL. Is not a large proportion of that glass imported brought here to be silvered?

Mr. HITCHCOCK. I think so, and that we can not compete with. The machines make what we call the ordinary glazing quality, such as is perfectly suitable for building purposes, but when you get to silvered glass it has to be as nearly perfect as possible, and the machines being regular and steady in their movement will leave a slip here or a slide there or a little spot that can not be reached by the machine. That work has to be done by hand labor, and that hand labor in Europe costs about 30 cents a day and is chiefly done by women. We have no such labor in this country; therefore we do not attempt to secure that business.

Mr. BURROWS. That is the labor of silvering?

Mr. HITCHCOCK. Preparing glass for silvering in bringing it to a higher polish.

Mr. DALZELL. As to the quality, how does the American glass compare with the foreign glass?

Mr. HITCHCOCK. There is no difference in what we call the ordinary glazing quality. American manufacturers have frequently put their glass in competition with foreign glass for Government buildings, as well as large private buildings, the samples having been sent without the architect knowing where it came from, simply numbered A, B, C, or D, and it has been accepted on its merits. It was put in your State house, Governor Gear, the architect having no knowledge where the sample came from, and the same is true of the custom-house at Memphis, Tenn., and many other Government and State buildings.

Mr. GEAR. We had an expert expressly employed to look into that matter.

Mr. HITCHCOCK. It has been used in various places.

Mr. BURROWS. You have almost exclusively the trade of St. Louis, Kansas City, Memphis, and that section of country?

Mr. HITCHCOCK. Our particular works have not; other works sell at those places as well as we do. We send some glass, of course, to Kansas City.

Mr. BURROWS. You stated that the average labor earnings were $1.85 per day. In making your average did you include labor engaged in obtaining the sand and mining coal, etc.?

Mr. HITCHCOCK. That average of $1.85 includes all wages at our works. It does not include, for instance, any office expenses, such as my salary or the office employés of the company, who are not on the pay roll but are paid by separate voucher.

Mr. BURROWS. It does not include miners and sand diggers?

Mr. HITCHCOCK. It does not include the coal miner, but it does the man who digs the sand, because our own sand is found immediately at our works, and the men who mine it are on the pay roll of the works. The coal we use is mined in Illinois and the miners' wages, of course, are paid there and not at our works.

Mr. TURNER. Have you made an estimate of the percentage of cost on the other side as to production?

Mr. HITCHCOCK. We have not, except that I understand——

Mr. TURNER. You only arrive at it by the relative difference in the cost of labor. I did not know but you may have made an actual computation.

Mr. HITCHCOCK. We have figures which give the actual cost of labor per foot of glass made on the other side, and we know these figures are reliable, as they were furnished by one of the leading manufacturers in Europe within the last ninety days. The labor per foot of glass in England has been reduced 25 per cent in the last ten years.

Mr. TURNER. You mean the prices paid?

Mr. HITCHCOCK. The labor on the product; they have reduced it 25 per cent.

The CHAIRMAN. They still pay higher wages than France?

Mr. HITCHCOCK. Yes, sir; they do. It is the difference between 120 and 167. Now, these figures are not guesswork and are not of long date. They are absolutely recent and absolutely correct. They are made from the actual pay roll of operated works at the present time.

Mr. TURNER. Do you represent all lines of glass?

Mr. HITCHCOCK. No, sir; we have nothing to do with anything but plate glass.

Mr. TURNER. Do you know anything about the other qualities?

Mr. HITCHCOCK. Except in a very general way.

Mr. TURNER. Do you know anything about the common window glass?

Mr. HITCHCOCK. I do not. We have never made it, and therefore I do not feel justified in speaking in regard to it.

Mr. TARSNEY. How many men do you employ directly and constantly at your works?

Mr. HITCHCOCK. In the works proper we have on the pay roll between 600 and 700 men, and in our coal property, which we also operate, we have 200 or 300 more.

Mr. STEVENS. Is there any combination among your labor?

Mr. HITCHCOCK. If there is, we do not know it.

Mr. STEVENS. Do they regulate the price of your labor?

Mr. HITCHCOCK. No, they do not.

Mr. DALZELL. They regulate, however, the number of pots that shall constitute a day's work?

Mr. HITCHCOCK. Custom has done that. I recognize the right of labor to organize; there is no question about that; but I will not allow employés to manage the business I am paid to manage, and so long as they do not attempt to dictate to us in the management of that business—in other words, interfere with my responsibilities to our stockholders, I ask no questions.

Mr. STEVENS. Have they unions abroad?

Mr. HITCHCOCK. Yes, sir.

Mr. STEVENS. They regulate it in the same way as they do here?

Mr. HITCHCOCK. I am not sure, but they somehow or other control them over there much more effectively than here.

Mr. TURNER. Is there any combination between the manufacturers in this trade?

Mr. HITCHCOCK. Not that I know anything about. We are in no way connected with any such combination.

Mr. BURROWS. What would be the effect of materially lessening the duty on plate glass?

Mr. HITCHCOCK. In what respect?

Mr. BURROWS. Upon your industry.

Mr. HITCHCOCK. I think before you came in I said we simply would have to reduce wages on the same pro-rata basis.

Mr. BURROWS. Or else shut up business?

Mr. HITCHCOCK. Yes, sir.

Mr. BURROWS. You stated the amount of capital invested in this industry was how much?

Mr. HITCHCOCK. The capital invested in this industry is about $12,000,000.

Mr. BURROWS. And how many employés?

Mr. HITCHCOCK. Eight thousand directly, with some three and a half to the family, which would made some 28,000 or 30,000 that are directly and indirectly interested in this industry.

Mr. BURROWS. And dependent upon it?

Mr. HITCHCOCK. Yes, sir. I would like to ask a question myself, and that is, whether any member of the committee can tell me if any demand has been made by any individual, or consumer, or community of consumers, for a reduction in the duty on plate glass? If there has been I should be glad to know it, for I think, as far as I can learn, the consumers are entirely satisfied with what we have done and will try to do, if we can go on as in the past. We have not heard of any demand or inquiry on the part of any consumer for a reduction.

Mr. DALZELL. I understand these duties have been substantially the same ever since the tariff was put on?

Mr. HITCHCOCK. Yes, sir; that is, since 1862, or for thirty-one years.
Mr. PAYNE. There was no change made in the Mills bill?
Mr. HITCHCOCK. No change whatever.
Mr. DALZELL. Except a consolidation of two sizes?
Mr. HITCHCOCK. Yes.
Mr. PAYNE. How many factories were in existence in 1881—when was this industry first established?
Mr. HITCHCOCK. It was first established about 1869, by Mr. Depauw, of New Albany, who lost some several hundred thousand dollars and started up again, and then the next was ours, and then the others during the last four or five years.
Mr. PAYNE. When was yours established?
Mr. HITCHCOCK. In 1875.

STATEMENT OF MR. E. FORD, PRESIDENT OF THE PITTSBURG PLATE-GLASS COMPANY OF PITTSBURG, PA.

Mr. E. Ford next addressed the committee. He said:
Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: Mr. Hitchcock has covered this subject so thoroughly that I have nothing to say, and I will not take up the time of the committee. I have no remarks to make.

Comparative statement showing rates of wages paid per month in Belgian, English, and American plate-glass works for similar services.

Occupation.	Belgian.	English.	American.	American higher than Belgian.	American higher than English.
				Per cent.	*Per cent.*
Pot-makers	$27.00	$30.00	$100.00	270	233
Clay-temperers*	14.82	8.00	32.50	119	306
Furnace brickmakers	14.82	22.00	39.00	163	77
Mixers	25.60	24.00	39.00	52	62
Founders or melters†	30.00	44.00	100.00	233	127
Gas-producer men	26.50	34.00	52.00	96	53
Head teamers	34.00	48.00	100.00	194	108
Teamers‡	28.00	44.00	65.00	132	47
Casters‡	25.68	33.00	47.00	83	42
Kiln-heaters	18.60	30.00	58.50	214	95
Kiln-dressers	20.00	32.50	75.00	275	134
Foreman grinders	50.00	65.00	100.00	100	53
Grinders:					
First layers	30.00	32.50	80.00	166	130
Second layers	21.30	30.00	62.00	191	106
Third layers	.....	29.00	52.00	.....	78
Fourth layers	.....	26.00	44.00	.....	69
Mixers	18.30	24.00	44.00	140	83
Finishers	22.25	26.00	80.00	259	207
Sand-wheelers	14.82	22.00	52.00	250	136
Mud-wheelers	14.82	26.00	39.00	163	50
Smoothers, rubbers	9.88	11.50	39.00	293	239
Examiners	21.22	30.00	65.00	206	116
Emery-washers	19.76	35.00	80.00	304	128
Foreman polishers	34.00	65.00	100.00	194	53
Polishers:					
Finishers	28.00	35.00	80.00	184	128
Layers	21.30	31.00	90.00	322	190
Mixers	18.30	26.00	65.00	249	150
Rouge-burners	13.00	33.00	80.00	515	142
Cutters	25.00	26.00	60.00	140	130
Packers	27.00	24.00	35.00	29	45
Master mechanics	50.00	76.00	100.00	100	31
Machinists	22.10	33.00	65.00	194	97
Blacksmiths	23.40	29.50	52.00	122	76
Carpenters	32.00	29.50	60.00	87	103
Bricklayers	20.80	29.50	89.00	328	201
Laborers	15.00	20.00	30.00	100	50

*English employ female labor.
†European average, 2,600 feet per day; American, 2,000 feet.
‡English, 48 pots; American, 20 pots per day.

LENSES.

(Paragraph 120.)

T. A. WILLSON & CO.,
Reading, Pa., September 21, 1893.

DEAR SIR: We desire to call attention to the item in the "McKinley bill" putting a duty of 60 per cent on lenses costing $1.50 or less, per gross pairs.

The lenses in question are all made in France and Germany; are largely, or very largely used by us, and to some extent by other manufacturers. The other lenses we use are bought of American manufacturers, but as the cheapest lenses listed by American makers is $3.25 per gross pairs, it would be no discrimination against lense manufacturers to admit lenses costing $1 or less per gross pairs free of duty, as they do not compete with the American lenses, and it would enable us to successfully compete on finished cheap spectacles against French and German manufacturers. As it is now, we pay on these cheap lenses 60 per cent duty, with no benefit to American lense manufacturers, but a decided drawback to American spectacle manufacturers. Instead of protecting the American manufacturer, it is virtually a protection to the French and German spectacle manufacturers.

Yours, respectfully,

T. A. WILLSON & CO.

MARBLE.

(Paragraph, 123, 124.)

STATEMENT OF MR. E. R. MORSE, TREASURER OF THE VERMONT MARBLE COMPANY.

SATURDAY, *September 16, 1893.*

Mr. CHAIRMAN: We have prepared a very brief statement in regard to the marble industry and the present effect of the tariff upon it.

To the Committee on Ways and Means:

By the tariff of 1883 the rate was reduced on all classes of marble—very greatly on sawed marble—and was made more specific than before. We believe that this change has greatly lessened the frauds and been more satisfactory to the American producer and the honest importer.

The McKinley act made no change in the rate on any class of marble. There was a slight change of wording in regard to the measurement of marble of less than 1 inch in thickness, made to prevent frauds.

That, gentlemen, was this. The act of 1883 was based on cubic measure. Now, to introduce this marble Italian importers, the rule being twelve slabs to the foot, rubbed down their marble so thin they could put in from sixteen to eighteen slabs to the foot, which enabled them to bring in that much more.

The present tariff on marble ought not to be reduced for the following reasons:

First. Marble is a proper commodity on which to raise revenue.

It is never a necessity. All foreign marbles may properly be classed among luxuries. The present duty operates to tax the wealthier consumer who buys expensive ornamental marble, while the buyer of the grades of marble in common use gets them at a lower price by reason of the tariff.

People of moderate means use little marble except for cemetery purposes, but use a great amount there, and they now use, and will continue to use, American marble almost exclusively, whether the duty is high or low, because it is better for outdoor use, and that mainly used in cemeteries is cheaper than any foreign marble would be even if admitted free. The cheaper grades of American marbles are so mixed with the finer in the same quarries that they must be produced together, and

the more of the finer that is produced the more of the medium grades must be, and, of course, the lower their price. Cemetery marble is cheaper than it would be if duties were reduced, because no foreign marble competes or could, if free of duty, compete with it in price or quality for that use, but it is produced from the same quarries which produce higher-priced ornamental marble, with which foreign marble does compete. Hence anything which reduces the price or quantity produced of this higher-priced marble will reduce the quantity produced and increase the cost of the cheaper grades.

The marble in ordinary use for cemetery purposes could not be produced by itself alone for the price at which it is now sold. It is the production of the higher grade of ornamental marbles from the same quarries competing with the foreign that admits of the production of the cheaper cemetery marble at all.

Take the Rutland marble as the basis. The price of that marble depends upon the excellence of the marble. That is to say, marble that is white commands the highest price. Then it is graded down according to the excellence of it. Sutherland Falls marble is priced upon the fineness and whether it is true blue or mountain dark marble, etc. In the marble quarry we find marble in layers like this dipping to a given angle. We strike first, say, a piece of statuary marble, next a layer with a little more color, and so it varies throughout the quarry. We have very many different layers. Then always in the same block we get out a certain amount of white marble and, perhaps, a light quantity of colored marble, and the colored marble is precisely as good marble as the white, but custom and taste has decreed that the one shall command the higher price than the other.

Mr. BRYAN. Where do you find blue marble?

Mr. MORSE. In the same deposit with the white.

Mr. BRYAN. Everywhere?

Mr. MORSE. I am only speaking of Vermont quarries, but there are certain quarries which produce nothing but blue marble, and others produce both blue and white, and in the same block; sometimes you will find what we call Rutland Italian in the same layer with what we call blue, only separated from each other a short distance.

This country uses more marble than all the rest of the world combined.

The total Italian output is about 2,000,000 cubic feet, of which this country imports and consumes more than one-fifth, which is more than the total consumption of any other country. Besides, we consume nearly all of our own production of over 3,000,000 cubic feet, which is in itself more than the entire foreign production, so that this country uses, according to the best estimate we can make, at least 60 per cent of the entire marble product of the world and six times as much as any other nation. This is because people of limited means use it so generally for cemetery purposes. Any action, then, which restricts the production of this class of marble or enhances its price is clearly against the interests of the people.

So far as its superior fitness for cemetery or any outdoor work is concerned it is sufficient to cite the well-known fact that twenty years ago a large amount of Italian marble was used in cemeteries and now it has practically gone out of use in this country for that purpose.

Second. The present duty does not restrict trade. The statistics show that the changes in the rate of duty have not affected importations. This confirms the point that foreign marble is always a luxury, bought by those who are able to buy, and what is wanted will be bought regardless of price.

Importations are increasing under the present tariff quite rapidly, as will be seen by the following statement:

Total value of marble and manufactures of marble imported.

For year ending July 30—	Value.	Remarks.
1888	$541,542.89	
1889	572,613.10	Increase of nearly 6 per cent.
1890	763,705.50	Increase of nearly 33⅓ per cent.
1891	822,209.79	Increase of nearly 8 per cent.
1892	910,839.25	Increase of 11 per cent.
1893	1,161,560.00	Increase of over 27 per cent.

In the last five years the total importations have doubled in value and increased about 70 per cent in quantity, and the importation of manufactured marble has increased nearly threefold in the same time.

The fluctuation in the rate of increase is apparent rather than real. The larger importations may happen to arrive in certain years, while the increase in the rate of consumption is not greatly irregular.

The production and use of American marble has also steadily increased, and somewhat more rapidly than of imported marble.

According to the census the total value of the marble product of the United States in 1880 was a little over $2,000,000. In 1889 it was nearly $3,500,000. In that time the production in Tennessee was more than doubled; that of New York increased more than 50 per cent. Georgia's production in 1889 was nearly $200,000; that of California $100,000. The production in both those States is doubtless much larger now, although none was produced in either of them in 1880. These figures show, both for the home production and the importation, a healthy state of business, to disturb which would be unwise, and would benefit nobody but the Italian producer and the comparatively small interest engaged in the importation, sawing, and sale of Italian marble; and this benefit would be at the expense of the revenue, the American producer, consumer, and laborer—several times as many as are engaged in this country in handling the foreign product.

We believe that the rates on marble should be, so far as practicable, specific, and we understand that the importers also favor the specific principle. (See page 1650, Vol. II, of the "Report of the Tariff Commission, 1882," where a committee representing the importers of marble in the block asked that on that class of marble the tariff might be changed from a "compound" rate to one entirely "specific." Also see Vol. I of the same report, page 666, where a like request was made by another committee representing the Boston importers. See also several briefs submitted before the Committee of Ways and Means by the importing interest.)

The estimate made by the tariff reform committee of the Reform Club, if the rate on marble was reduced, as they recommend, to an ad valorem rate of 20 per cent, is that the importations would be increased nearly 50 per cent and the customs receipts reduced about 40 per cent.

That is due almost entirely to the fact that Italian marble is used in interior work.

The CHAIRMAN. Marble is used for walls, etc.?

Mr. MORSE. It has been used for wainscoting in hotels and large buildings.

The CHAIRMAN. That is, you mean the cheap imported?

Mr. MORSE. Yes, sir; that is being used to a certain extent.

Mr. TURNER. How is it that the American people use so much more marble; because they use it more for cemetery purposes?

Mr. MORSE. Put that question again?

Mr. TURNER. Is it due to the larger use of marble in this country for monuments, for cemetery purposes?

Mr. MORSE. I think so, and I think it is also true that they are using now a large amount of marble for the interior finish of buildings, wainscoting, mantels, and that sort of things where ten or twelve years ago there was very little used.

Third. The production of American marble is of far greater importance as an industry than the importing interest.

As already shown, the value of the American product is more than three times the total value of importations. The expense according to the census of producing the three and one-half millions in value of American marble in 1889 was $2,675,000, exclusive of interest, exhaustion of quarries, and wear and tear on plant. It thus appears that the profit is very small and will not bear sharper competition than it now has. Of this expense over two-thirds was for labor direct, and about one-fourth for supplies and material. This latter item being mainly for machinery, and iron, and steel, it is certain that over 90 per cent of the expense in the production of marble is for labor. These figures of the census agree with the evidence before the Tariff Commission (see Report of the Tariff Commission, Vol. II, p. 1553.) The number of men employed in such work as is done at the quarries is given in the census as 4,529 and capital invested over fifteen millions, but this estimate of men is too low.

Fourth. There is no occasion to go abroad for marble for there are in the United States, developed or undeveloped, deposits of marble of all known varieties and suitable for every purpose for which marble is used, and in quantity sufficiet to last for all time.

Marble is abundant in all the States along the Blue Ridge range, from the Gulf of Mexico to the Canada line, viz: Alabama, Georgia, Tennessee, North Carolina, Virginia, Maryland, Pennsylvania, New York, Connecticut, Massachusetts, and Vermont. It is also found in Missouri, Colorado, Idaho, Texas, New Mexico, Arizona, Utah, California, Washington, and other sections. The ornamental or fancy marbles, so called, found in Tennessee, Georgia, Missouri, Arizona, and many other sections of the country, can not be surpassed by any foreign marbles. But the obstacles to be overcome in developing these natural resources can not be appreciated except by experience. It involves competition with the cheap labor of continental Europe, principally Italy, where the wages are not more than one-third what is paid here for the same class of labor. The present duty does not compensate on any class of marble for the difference in the cost of labor between this country and Italy, and on "manufactures of marble" falls far short of it.

As to the cost of labor in Italy, see article of Hon. Robert W. Welch, in the Century Magazine for June, 1882, in which he says that the Italian blocks are put into regular shapes "by men who receive from 25 cents to 35 cents per day." There is the same ratio of difference in the cost of skilled labor in the two countries.

Mr. Welch also says:

"Carrara laborers, and especially those who are engaged in quarrying and transporting marble, certainly have a very hard time of it. Like the oxen, they work much and eat little. For a day's work, beginning at sunrise and lasting to sunset, the compensation is not more than 45 cents. It seems almost impossible that a single man can live on such wages, to say nothing of men who count their children by the fives, tens, and twenties. Some of the quarrymen live 5 or 6 miles from the scene of their labor, and they have, therefore, in addition to a day of severe toil, to take a daily walk of 10 or 12 miles. Many of them are obliged to leave their beds at 3 o'clock in the morning in order to reach the quarries in season to do a full day's work. They take with them in their coat or trowsers pocket the food for the day, which consists of a small loaf of bread. When they return home at night they eat the principal meal of the day, a dish of boiled mush or a sort of soup made of bread, water, and oil. In the summer they are able to garnish their tables with a dish of vegetables, into which the aromatic garlic is sure to be strongly infused. Meat and fish are luxuries which are indulged in on rare occasions."

Another great difficulty is to make the American people see that we really have better material both for beauty and endurance than can be found abroad. The first inclination of the buyer is to suppose the foreign must be better.

Fifth. Block marble is not properly raw material, as the importers claim.

"Raw material," in the sense in which it is used in tariff discussion, "means those articles which, in their original state, represent much intrinsic value, and are first prepared for commerce with little labor, but which require much more labor to complete their manufacture." The value of block marble represents almost entirely labor. The raw material in the mountains in Italy is of little value, but the cost of the blocks is measured by the labor required to quarry them, prepare them for market, and move them to the seaboard. In this country, also, an undeveloped marble quarry is of little value, and it is fair to say that the present value of our quarries represents what has been expended in developing them. We estimate that 80 per cent of this value is labor, 15 per cent machinery, and possibly 5 per cent marble in the ledge. The number of days of labor required in quarrying a block of either Italian or American marble is more than twice as great as is required in sawing the same block and finishing it ready for use.

We claim and can prove conclusively that the effect of a reduction of the duty on marble would be:

(1) To diminish the production and increase the price of the class of marble used by the mass of the people in cemetery work, which is by far the greatest use of marble in this country, and the most important to consider.

(2) To diminish the production of building marble for the same reason that would affect the production of cemetery marble.

(3) To postpone and retard the development of new quarries in this country, which, if developed, would soon render us independent of the foreign production of any variety of marble.

(4) To take away the employment of labor in this industry in America and give it to Italy, where the rate of wages, both skilled and unskilled, is not more than one-third as high as here.

We respectfully refer to briefs presented to the Committee on Ways and Means March 1, 1886, January 30, 1888, copies of which are filed herewith, and to the testi-

mony before the Tariff Commission (Vol. II, p. 1553), also to article of Consul Welch previously cited.

Respectfully submitted.

Tennessee Producers' Marble Company, Tennessee; Standard Marble and Stone Company, Tennessee; East Tennessee Stone and Marble Company, Tennessee; Concord Quarry Company, Tennessee; Knoxville Marble Company, Tennessee, by J. E. Ross; Louisville Marble Quarries, Tennessee; Stone Marble Quarries, Tennessee, by J. O. Brown; The Gray Knox Marble Company, Tennessee; Stinette Marble Company, Tennessee, by T. S. Godfrey; Coral Reef Marble Company, Tennessee; Knox Marble and Railway Company, Tennessee; Columbia Marble Company, Tennessee; Republic Marble Company, Tennessee, by A. E. Mead; Southern Monument Company, Tennessee; Georgia Marble Company, Georgia; Southern Marble Company, Georgia; Piedmont Marble Company, Georgia; Kennesaw Marble Company, Georgia; Blue Ridge Marble Company, Georgia; Geo. B. Sickels & Co., Georgia; Vermont Marble Company, Vermont; Barney Marble Company, Vermont; Smith & Brainard Marble Company, Vermont; True Blue Marble Company, Vermont, by Geo. E. Royce; Columbian Marble Company, Vermont; Corona Marble Company, Vermont; Adams & Bacon, Vermont; Brandon Italian Marble Company, Vermont; Albertson Marble Company, Vermont; Manchester Marble Company, Vermont; Rutland Marble Company, Vermont; Wheaton Marble Company, Vermont.

Dated September 16, 1893.

Mr. Craig, president of the Tennessee Marble Company, is present and would like to say a few words.

Mr. BRYAN. Is there any association of these marble manufacturers?

Mr. MORSE. None, whatever.

Mr. BRYAN. This petition was signed by separate individuals and not at any meeting?

Mr. MORSE. I think, perhaps, what you refer to was a selling association, which was in force from 1883 to 1887, when it dissolved, known as the Producers' Marble Company.

Mr. BRYAN. Did they fix the price?

Mr. MORSE. Competition fixed the price, because they did not control anywhere near the product.

Mr. BRYAN. It was an unsuccessful effort to control the product?

Mr. MORSE. There was an effort made to reduce the cost of selling by doing away—each individual concern had a branch in different cities, and it was to do away with this and reduce the cost of selling.

Mr. BRYAN. You stated the present duty does not compensate, on any class of marble, for the difference in cost of labor in this country and Italy, and on our manufactured marble it falls far short. If the tariff is not equal to the difference in the cost of labor, how is it you are able to compete with those people?

Mr. MORSE. Just let me see if I understand that; because we claim we have got superior marble for cemetery purposes.

Mr. BRYAN. Then it sells for more than the foreign marble, and in getting higher prices you are able to pay more for producing?

Mr. MORSE. It does not sell for more. Take Rutland marble as a sample, and the price is graded by color, as I stated. Now, unquestionably, we would go down some if the tariff was off. The white marble would probably go down some with the tariff off, and that would affect us because we produce a large amount of marble which we sell at even less than it costs to produce it This fact can not be disputed, for the reason it lies in the quarries certain ways.

Mr. BRYAN. Your statement here that the present duty does not equal the cost of the labor would lead us to infer you could not produce this marble in this country in competition with foreign marble because of the greater expense?

Mr. MORSE. There are perhaps some reasons in connection with the fact that our quarries lie entirely different from the Italian quarries. We use certain kinds of machinery and they use none.

Mr. BRYAN. Then while you pay more in wages your labor has more efficiency here because of improved machinery.

Mr. MORSE. I do not know that you can say our labor has any more efficiency, but I presume we produce a little cheaper than they do.

Mr. BRYAN. Then a block of marble, say a cubic foot, would be produced in this country for a small price——

Mr. MORSE. No; oh, no, sir. I do not mean that. I did not mean to make that statement, but I think it helps to compensate for the difference in price.

Mr. PAYNE. The machinery does?

Mr. MORSE. Yes, sir.

Mr. BRYAN. Then one man with machinery in this country can do more than one man without machinery abroad.

Mr. MORSE. Certainly; there is no question about that.

Mr. BRYAN. That enables you to produce the article at a less cost than it is produced over there?

Mr. MORSE. Now, as to that, I can not tell you, sir, but Mr. Gilson can. He has been a large producer of American marble, and has made a careful study of Italian marble, and he is here and will be glad to answer all questions.

Mr. BRYAN. You have made no comparison as to the cost of producing marble here and abroad?

Mr. MORSE. No, sir.

Mr. BRYAN. Simply the difference in wages?

Mr. MORSE. Exactly. Now, if you care to go into the question of Italian quarries and the cost of labor there, Mr. Gilson will be glad to tell you anything he may know of his own personal knowledge.

STATEMENT OF MR. E. P. GILSON, OF RUTLAND, VT.

Mr. CHAIRMAN AND GENTLEMEN: I suppose from the call you desire to know something about the conditions or difference of conditions between the Italian quarries and those in Vermont. Do I understand it rightly?

Mr. BRYAN. I desire to ask you a question, and the only reason I ask it is this: It seems to me that there can be no intelligent fixing of a tariff in order to compensate any greater cost of production in this country, unless we know what the cost of production is there, and that the wages paid are not material, but the cost of the finished article, and none of the witnesses seem to have paid any attention to the cost of of the article, but simply compared wages here and abroad.

Mr. PAYNE. It would be difficult to demonstrate what it would be if the wages are immaterial in the demonstration. There could be no revision of the tariff whatever if the cost of wages is immaterial.

Mr. GILSON. I can simply state, sir, while in Carrara in the winter of 1883–'84, and being intimate with the largest producers of Italian marble and exporters to the United States, and there was a statement of one of these members, made of his own accord, a general statement, and I find I have not the figures here to substantiate it, however, that the present tariff of 65 cents a cubic foot on the block, did not cover the difference in labor between the Italian labor and the labor in Vermont.

Mr. BRYAN. You have this statement?
Mr. GILSON. Yes, sir.
Mr. BRYAN. Did he know anything more about the cost in this country than you knew about his country?
Mr. GILSON. He has been here, and has sold a good deal of marble for years in this country, and has been very much interested in the subject.
Mr. BRYAN. What is the cost in this country of getting out a cubic foot of marble?
Mr. GILSON. It would be very difficult to figure it exactly, because it varies in different conditions in different quarries. In some quarries the cost would be of the whole product $1.25 to $1.30 a cubic foot, but the conditions in the various quarries are very different.
Mr. BRYAN. In some of the quarries of this country the marble can be produced for much less than others?
Mr. GILSON. I should say it could be. There are quarries where it is not so hard, and they quarry it cheaply, and others where the marble is very much harder, so that it costs an extra expense on account of the hardness of the marble.
Mr. BRYAN. Can you give any idea of the various costs of production in this country?
Mr. GILSON. I should think on the average with the facitities that now exist that marble could be produced for at least $1.30 to $1.35 a cubic foot.
Mr. BRYAN. On the average?
Mr. GILSON. It might.
Mr. BRYAN. Can it be produced in some quarries for $1 a foot?
Mr. GILSON. Possibly.
Mr. BRYAN. And in some for less?
Mr. GILSON. I should think not.
Mr. BRYAN. And in some places it runs even higher than $1.25?
Mr. GILSON. Yes, sir.
Mr. BRYAN. Do you know what the cost of producing a cubic foot is in Italy?
Mr. GILSON. I only know what we have to pay for blocks that may vary from time to time, but these blocks, I understand, are sold for $1 to $1.25 a foot over there.
Mr. BRYAN. Then there is the freight on the cubic foot to the market?
Mr. GILSON. The freight at the time I was in Italy did not vary very much from Carrara to New York than from Vermont to New York, and in some of the Western towns it was cheaper from Carrara direct than from Vermont.
Mr. BRYAN. That was due to the terms given by the railroads?
Mr. GILSON. That was due to the terms given by the companies on the vessels sometimes.
Mr. BRYAN. I would like to have the amount of freight on a cubic foot of marble from Italy to New York.
Mr. GILSON. I have not those figures before me now.
Mr. BRYAN. Could you approximate it?
Mr. GILSON. No, sir; because I do not have them in mind. We could easily ascertain, however.
Mr. BRYAN. Would you give your best judgment? I do not mean a comparison, but is it $1, $2, or $5 a cubic foot?
Mr. GILSON. I do not think it would be $1 a cubic foot; no, sir.
Mr. BRYAN. Would it be 50 cents?

Mr. GILSON. These rates vary very much, from $2.50 to $4 a ton, depending upon, of course, what freight may offer. It might vary in different months in different years.

Mr. BRYAN. Is not the freight itself quite a material protective tariff?

Mr. GILSON. No, sir; I do not consider it is when freight from the other countries and from our country to the market is equal.

Mr. BRYAN. If the rate——

Mr. GILSON. And there are places where it costs more to reach the quarries here than over in Carrara.

Mr. BRYAN. They may have a shipping advantage, but is not the freight from Italy to New York quite a considerable cost of a block of marble when laid down in New York?

Mr. GILSON. No, sir; I would not think so.

Mr. BRYAN. If you could buy a block for $1 in Italy a cubic foot, and it costs 50 cents to bring it to New York, there is 50 per cent?

Mr. GILSON. Yes, sir.

Mr. BRYAN. Does it cost that much?

Mr. GILSON. Your blocks cost more than that there.

Mr. BRYAN. Is not that 50 cents a 50 per cent advantage?

Mr. GILSON. I should take the marble here and not at the quarries in Carrara.

Mr. BRYAN. Is not distance and the freight a material advantage to the producer here?

Mr. GILSON. That has not been so in the past. A good deal of this marble was brought here as ballast, and some of it was low, depending upon the demand for these ships.

Mr. BRYAN. So you can not give any estimate upon the cost?

Mr. GILSON. I can not do it this moment and give the exact cost, as it varies so. The quarries in Italy, I might say—I do not want to take up your time—are on the surface of the mountains of Carrara, which are 4,000 or 5,000 feet high. This mass of material has been thrown up there, and the blocks are thrown off by powder in large masses. I have seen masses estimated to weigh 150 tons thrown a quarter of a mile with powder; then men are put on these blocks, and they are broken up and fitted for the market. There is no capital invested, as I was told, in marble property. There is rental paid to the municipality of Carrara for the privilege of working this. The blocks are moved by gravity to the surface below; and in Vermont the quarries are all underground, probably from 100 to 300 feet. The marble has to be gotten out instead of blasted. There is never any powder used in quarrying that marble. In the first place, being under a hill or mountain in the earth, the material top deposit has to be blasted out—what we call drifting, and that has to be blasted and a channel put in between that and the deposit, so it will not interfere with the deposit or choke it up. That is blasted and opened up this great distance by powder, and that is an item of large expense. Then this deposit is mounted by men and machinery, and the channels put in.

Mr. BRYAN. Is that true of all quarrying in this country?

Mr. GILSON. That is true of all I know anything about. You put a channel on either side to the end, then you put holes underneath.

Mr. BRYAN. Then Italy has a natural advantage over us in finding marble?

Mr. GILSON. Very great.

Mr. BRYAN. That makes it necessary for us to put a tariff on to utilize our marble?

Mr. GILSON. Taking labor into account in Italy and their wages, it seems necessary.

Mr. BRYAN. And if this marble was 200 more feet down it would require still more tariff?

Mr. GILSON. That is a question, of course, what depth—that has been talked of more or less—it would pay to quarry this marble. On the other hand, there is another item. Quarries that generally amount to anything are unsound on the surface, and 20 or 30 feet has to be removed; then it is an experiment. There have been thousands and thousands of dollars—I may say hundreds of thousands—sunk in that way to test the quarry and find nothing, and sometimes they go down below the action of the water and the deposit gets sound.

Mr. BRYAN. Are these quarries you speak of in Vermont owned by private individuals?

Mr. GILSON. They are, generally.

Mr. BRYAN. Are they quarried by the owners or do they let them out usually?

Mr. GILSON. They are quarried by the owners.

Mr. BRYAN. Is the property valuable?

Mr. GILSON. It becomes very valuable as it is developed, if it proves to be good. A great deal of money is used.

Mr. TARSNEY. What is the railroad rate per cubic foot from New York to the Missouri River?

Mr. GILSON. I would refer that question to Mr. Morse, who is up on that whole business; I have not given it any attention.

Mr. MORSE. I can tell you the rate from New York, and I think it is the same from Vermont. I think it is 35 cents a carload and 41 cents less than carload per 100 pounds. That would be about 60 cents a cubic foot, as we call 180 pounds a foot.

Mr. TARSNEY. That thing itself would give protection to the Missouri marble produced in that section?

Mr. GILSON. That section; yes, sir.

Mr. TARSNEY. And would preclude the use of marble in that section that is only equal to the home product?

Mr. MORSE. Not quite that, compared with Italian, because the marble comes up the river from New Orleans, and I can not tell you what the rate is to St. Louis. I am inclined to think it is about the same as to New York.

Mr. TARSNEY. You only could from that one point. Then it would meet the local freight rates greater than the through freight from the seacoast?

Mr. MORSE. I can not say as to that.

Mr. TARSNEY. And the result would be in the interior of Missouri, Nebraska, and Kansas—that section of country—Italian marble would only be used by those who wanted it simply because it was foreign marble and different from what they had at home?

Mr. MORSE. It would depend upon what your rates were from the Missouri River to those points.

Mr. BRYAN. If you improve the Mississippi you can bring up the marble.

Mr. TARSNEY. Is there any Tennessee or Georgia marble sold in that country?

Mr. MORSE. There is quite a large amount of Tennessee marble sold there.

Mr. TARSNEY. Is it the same quality?

STATEMENT OF MR. J. J. CRAIG, OF KNOXVILLE, TENN.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I have very little to say——

Mr. TARSNEY. I would like to have this question answered, if you please, that I asked Mr. Gilson. Is it the same quality and grade of the marble produced in Vermont?

Mr. CRAIG. No, sir; it is not.

Mr. MCMILLIN. Tennessee marble is a conglomerate that is used extensively for mantels and furniture. They have not used the conglomerate mantels so much lately and they have not had so much demand for it as they have had.

Mr. CRAIG. I have nothing to say further than what is presented in that petition, having been signed by, I think, nine-tenths of the producers and manufacturers of Tennessee. But from a producer's standpoint, not being a manufacturer or exporter or importer, I would state that we think our fellow quarrymen are entitled to protection on our home resources so long as our products and quality and prices are equal to those of the imported goods.

Mr. BRYAN. Do you need any protection where the quality and prices are equal?

Mr. CRAIG. We do on account of the price of labor we have to compete with. Labor is one of the most serious things.

Mr. BRYAN. Taking that statement that so long as quality and price are equal to that of the imported goods, you say you deserve protection. Why do you need protection?

Mr. CRAIG. I mean to say, so long as we are protected to the extent we can produce our products here.

Mr. BRYAN. At the same price with the foreign products?

Mr. CRAIG. At the same price foreign articles are laid down here; but if products are laid down here for less than we can produce, of course we have to stop our operations.

Mr. BRYAN. Then you want your products protected, so as to raise the price at which foreign products could be laid down here, so you can sell the product at a higher price?

Mr. CRAIG. We claim that a block of marble is not a raw material, from the fact that it is in the ground, a resource, and is worthless unless it is produced, which occupies both capital and labor, the greater per cent being that of labor, not more than 5 or 10 per cent would represent the raw material so called, and the balance of 80 per cent we estimate goes on the labor alone. We further claim that the marble industry of our country, more especially, is yet in its infancy. American marbles are all over the Western States, but we feel if we meet any encouragement or reasonable protection it will be only a short time that we can produce all the known varieties of marble; and we claim further that our quarries in East Tennessee produce 300,000 to 400,000 cubic feet of stone per annum, and give employment to some 1,200 to 1,500 men, and they represent from 5,000 to 8,000 people who are paid from our pay roll, and our labor costs us about three times that of the Italian labor.

The CHAIRMAN. How could any foreign imports compete with your product?

Mr. CRAIG. We have to compete with the white marble, the pink marble, and the variegated marble. There is a quite a variety of Tennessee marble, yet while the imports of foreign marble have increased

at the average rate of 17 per cent per annum during the past five years our quarry output have decreased 25 to 30 per cent and many quarries have been abandoned. We claim, furthermore, on account of the lay of the stone in Tennessee we are compelled to compete more directly for the Italian labor than some other American stones. We are not able to introduce machinery to the extent that would offset this cheap labor of Italy. The lay of our stone is quite different from that of Vermont and that of Georgia. We are on the top of a hill or a slope of the hill and instead of lifting ours out we have great difficulty in getting it down hill sometimes, because when we get it down hill we have to get it back and over the hill and then it has to be hauled away by wagon. The transportation is a factor in our country, to reach these quarries.

Mr. BRYAN. Do you mean to say that in your particular case it costs more to produce marble than it does in Vermont?

Mr. CRAIG. I am not prepared to say as to the cost in Vermont entirely, but we can not use powder in our quarries as they do in Italy.

Mr. BRYAN. Do you know the relative cost of production in your quarry and in others in this country?

Mr. CRAIG. Our quarries, I will say, sometimes double one month to what it was previously.

Mr. BRYAN. You say your product has fallen off 25 per cent?

Mr. CRAIG. Yes, sir.

Mr. BRYAN. A statement here shows that the total product has increased 3,500,000 in five years.

Mr. CRAIG. In Tennessee?

Mr. BRYAN. In America.

Mr. CRAIG. Yes, sir.

Mr. BRYAN. Yours has been falling off?

Mr. CRAIG. Ours have on certain qualities of marble, not on the entire output, but on the highly colored marble, which we have to compete with extensively, that has fallen off from 25 to 30 per cent.

Mr. TARSNEY. What are those used for chiefly?

Mr. CRAIG. Interior decorations.

Mr. TARSNEY. Is not the falling off on account of the development of the onyx quarries of Missouri and other sections?

Mr. CRAIG. No, sir; manufacturers tell me and my brother quarrymen tell me it does not seem to be a matter of cost that goes into interior decorations.

Mr. TARSNEY. There has been a large increase in the use of onyx for this purpose?

Mr. CRAIG. I do not think onyx is so popular to-day; it has not increased in the same proportion as the increased importation of foreign colored marbles.

Mr. BRYAN. Have you been brought in competition with foreign quarries for this interior decoration?

Mr. CRAIG. I certainly have.

Mr. MCMILLIN. The falling off may be due, in a slight degree at least, to the fact that styles have changed and they have not been used for mantel pieces as they used to, woodwork being more used and tiling.

Mr. CRAIG. Yes, sir; that is a fact.

Mr. TARSNEY. Fancy woods are being used?

Mr. CRAIG. Yes, sir; it has very seriously affected the question. But manufacturers who used to import and carry large stocks of our marble now import large stocks of foreign and use very little of ours.

Mr. BYNUM. What does it cost to quarry your marble?

Mr. CRAIG. That is a very hard question to give an exact answer, sometimes it costs just twice as much as it does at others.

Mr. BYNUM. What is about the average?

Mr. CRAIG. The marble may cost from $1 to $1.25 at the quarry.

Mr. MCMILLIN. That is per cubic foot?

Mr. CRAIG. Yes, sir.

Mr. BRYAN. What is the price you can buy it for in Italy?

Mr. CRAIG. Well, sir, I am not prepared to say what the importers pay for competing stone. I will say, Mr. Chairman, that Col. Hart is here representing the manufacturing industry of our section and I will be glad if you will hear him for a moment.

STATEMENT OF MR. J. E. HART, OF TENNESSEE.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I will not take up your time long. I will be brief in what I have to say. I represent not only the manufacturers of marble in Tennessee, but also the foreign productions in the way of manufacture. I not only produce marble, but I manufacture it, and I know something of both departments. The quarrying of marble has been very unsatisfactory in Tennessee for the last few years; it has been unprofitable by reason of the competition with foreign marbles. The use of marble has not diminished in this country, it has increased. The use of marble for interior decorations has been growing for years, and is growing rapidly, and the production of marble in Tennessee is not keeping pace with the growth of the use of marble throughout the country.

Mr. BRYAN. How do you explain the falling off of which Mr. Craig speaks?

Mr. HART. I will say, for instance, our Tennessee marble is almost exclusively used for the interior decorations of buildings. It is never used for monumental purposes, but it is used altogether for furniture purposes and in interior decorations. It has largely fallen off for the furniture purposes by reason of the use of hard wood largely in Michigan, where the manufactories are principally located. But in buildings the reason I attribute the falling off is this: Almost every large building in the United States that is put up, that is, an extensive building, the architect prescribes specifically Italian marble. Now, I am engaged in the manufacture of marble and finishing of marble, and our business extends through the country very largely, and in every instance where we have gotten interior decorations of buildings at all it has been by reason of a change of specifications from Italian to Tennessee.

Mr. PAYNE. Is this a conspiracy of the architects against you?

Mr. HART. I could not answer that.

Mr. BYNUM. But in regard to public buildings, do not the Government architects prescribe nearly always Italian?

Mr. HART. For Government buildings?

Mr. BYNUM. Do they prescribe the marble with which it is to be built?

Mr. HART. Yes, sir; and they have very largely prescribed Tennessee marble, particularly in the southern portion of the country. They did not, however, in the library building. They forgot Tennessee on that. But in general offices, fine buildings, hotels, and such buildings, Italian marble is specified, and the only chance the Tennessee has to get in there has been by effort with the architect after the specification

has been made. In that way the work has been maintained to the extent it has.

Mr. BYNUM. The reason I asked the question is, I have an encaustic tile manufactory in my district, and they complain all the time that by the special prescribing of marble by the architects marble is put in there to the exclusion of the tile.

Mr. HART. I do not know that there is any compulsion. I do not think there is any compulsion of that sort. The Government work has been liberal to the home industry.

Mr. BYNUM. They say the American marble is given to the exclusion of the tile men?

Mr. HART. I will not say it is to the exclusion of anybody. I do not think probably they want the tile. Tiles are a comparatively new thing in this country; it is not very old.

Mr. BYNUM. It has been here seventeen years.

Mr. HART. It is not used so much. I know of a building in St. Louis that is going up, and they say they do not want them to go into it.

Mr. PAYNE. That industry has grown rapidly in the last two or three years; I refer to the tile industry?

Mr. HART. Yes, sir; very recent growth, but we can not compete—I say we can not compete—with the Italian marble or with any foreign marble if the present duty is taken off. The only means by which we can now get our work in is by reason of the cost of the Italian marble by having it kept where it is. If that is taken off it is fair to presume we can not compete, because it will be reduced that amount in cost.

Mr. BRYAN. Do I understand you to say if the tariff was taken off the cost to the consumer of marble in this country would be reduced?

Mr. HART. I say it would be fair to assume the cost of foreign marble would be 65 cents less, and if that was the case we could no longer in Tennessee compete with them at all.

Mr. BRYAN. Or if you did compete you would have to sell that much lower?

Mr. HART. In that case we would shut down.

Mr. PAYNE. Or would have to reduce the wages of labor?

Mr. HART. I want to say to you the wages of labor in Tennessee, while they may be three times the amount of Italy, the average wages of Tennessee of the marble labor there is from $1.05 a day to $1.10, which is low-priced labor in this country.

Mr. PAYNE. I want you to understand that I am not in favor of reducing any labor in the United States.

Mr. HART. But we would have to do it.

Mr. PAYNE. Of course, if you had no duty, but I am not in favor of taking off the duty.

Mr. HART. We would shut up the quarries if that is taken off, because we simply can not compete.

Mr. BRYAN. You say the average price paid to your labor is $1.05?

Mr. HART. And to $1.10, I should say.

Mr. BRYAN. Is that true of all quarries of the United States?

Mr. HART. No, sir; I do not know what prices are paid in other quarries.

Mr. GEAR. Do you use a large percentage of colored labor?

Mr. HART. There is a number of colored labor. Some quarries have none.

Mr. BRYAN. Do you give less to the colored labor than to the white labor?

Mr. HART. We pay about $1 for the lowest labor, that is, men doing stripping, and the highest-priced labor we pay is about $1.50.

Mr. BRYAN. You do not know what is paid in other quarries?

Mr. HART. I do not know what is paid in other localities, and I do not know what is paid abroad; but I know our labor does not get too much. I know it ought to be better compensated as regards the way labor is paid generally throughout the country.

Mr. BRYAN. How long have you been in the business?

Mr. HART. Since 1888.

Mr. BRYAN. Not very long?

Mr. HART. No, sir; but I have had my experience since I have been in it.

Mr. BYNUM. The Italian marble is all white marble?

Mr. HART. Yes, sir.

Mr. BYNUM. Now, is it not a fact that certain quantities of Italian marble are used with the American marble for decorations, that they are both used, and do not you think that a reduction of the price of Italian marble would absolutely increase the demand for the home marble.

Mr. HART. No, sir; they are never used together.

Mr. BYNUM. Are not they blended together in some buildings?

Mr. HART. Not that I know of. I have never seen them blended for wainscoting or mantels.

Mr. BRYAN. You have seen them blended for floors?

Mr. HART. Very rarely.

Mr. BYNUM. They use them in alternate blocks?

Mr. HART. That is, generally speaking, Vermont or something else. The white Italian is never put in floors. It is never used in conjunction in this country that I know of in any interior work. There may be sometimes a piece different from the main body of the wainscoting, but it is not Italian; it is always some other marble than Italian, generally the colored stone. Now the principal reduction Mr. Craig referred to in Tennessee has been in the colored marble. Several years ago, probably ten years ago or more, the colored marble of Tennessee, what is known as Hawkins County marble, sold at from $4 to $8 a foot. These quarries are to-day all idle. There is no quarry among them that is going. They are all shut down, as they can not compete. They can not quarry that stone and sell it, and therefore they have had to shut down.

Mr. BYNUM. And there are gentlemen in this country who complain they are losing millions a year on the corn crop; so they are not the only people who are losing?

Mr. HART. They can not keep that up very much longer. They have stopped the production in that State of Tennessee and at least very little is produced. We ask the gentlemen of this committee to give us protection and full consideration, because it requires that amount of protection and not less than that. The condition of affairs now is unsatisfactory and there has been more money lost there than there has been made. And if this industry is going to be further embarrassed by the removal of this tariff the foreign marble will come in and the foreigner will sell for all he can get.

GRANITE.

(Paragraph 127.)

CALAIS, ME., *September 11, 1893.*

Our granite does not come in competition with any granite found in the United States. It resembles the Scotch red granite which is largely imported.

That we expect by keen economy and the closest application to completely exclude the Scotch red granite from the American market. Our stone is exactly the same color and formation as the Scotch and it is a stronger stone, having been tested in Boston in 1873 and stood pressure of 14,000 pounds to the Scotch a little under 9,000 pounds. We have the only quarry that can effectually compete with the Scotch.

That is, putting our stone in this market in place of the Scotch, it will give employment to many thousands of men, which will be a benefit to the United States and an immense benefit to Calais, Me., without injury to any person except stonecutters in Scotland.

That the 11 cents a cubic foot will pay a dividend of more than 6 per cent to any company or companies on whatever capital may be required to work the business, be it much or little.

That every different color stone, especially where the article is so good and pretty, gives the architects a larger variety to make desirable contrasts. This we think is a great benefit to the nation.

That we have an inexhaustible supply of stone of the finest and prettiest red granite in the world. Our quarry is 40 miles by water from Calais, Me., and 16 miles from Eastport, Me. It is 1¼ miles long, from 150 to 200 feet high, and one-third of a mile wide. Enough first-class stone to make fifty inexhaustible quarries.

We trust you will accept this stone as one of the raw materials to be admitted free of duty for the development and prosperity of the United States, especially as in admitting it free it does not interfere with the American granites, only with the Scotch granite.

We will strengthen the above statements later by petitions signed by architects and builders in the large cities of this country.

NEW BRUNSWICK RED GRANITE CO. OF MAINE,
Per F. T. C. BURPEE.

QUINCY, MASS., *September 20, 1893.*

The undersigned represents the Granite Manufacturers' Association of Quincy, Mass. The objects of this association are to improve and advance the interests of our business, but in no way to control the sale, leaving competition in trade to govern the price of our product. Quincy is the oldest granite center in the United States, being noted for its production of granite for public buildings and monumental works. At the present time nearly all its business in granite is confined in the latter trade, paying for labor each month, approximately, $75,000. In the troubles with employés of 1890 we based our prices for labor on the McKinley tariff of 40 per cent. It is shown by the selling prices of importers as quoted that they undersell us in Scotch and Swede monuments about 10 per cent, where labor is largely the component part of the design called for, showing you that 50 per cent, what we asked for at that time, would have given us an equal chance to compete with

foreign manufacturers, where labor is from 33 to 50 per cent lower. Monuments can be landed in Boston cheaper from Great Britain by steamers than we can ship 50 miles by rail from that center. It is also a fact that since 1890 the importation has increased about 100 per cent, a fact taken officially from the custom-house, Boston, showing you that if the tariff was scaled down the increased price of labor in this country will take away almost the entire business of Quincy. In 1892 we had trouble with the unskilled labor supported by the skilled labor. After a long struggle we settled with them by agreement, which we will file, on the prices of 1891, agreeing to pay that bill of prices until 1895. Therefore you will see, Mr. Chairman and gentlemen, any reduction in tariff means no business unless we should break our agreements with employés, as competition to-day brings us down to only a living profit in our business.

See designs with prices as quoted by importers.

Therefore, in behalf of the Granite Manufacturers' Association of Quincy, Mass., which comprises all the granite dealers of the city, I respectfully ask that no reduction in the tariff on granite be made.

Yours, respectfully,

J. Q. A. FIELD.

SCHEDULE C.

METALS.

IRON AND STEEL.

(Schedule C.)

MONDAY, *September 11, 1893.*

A delegation consisting of the following members appeared before the committee: Mr. Joseph Wharton, chairman and vice-president of the American Iron and Steel Association, Philadelphia, Pa.; Hon. George H. Ely, president of the Western Iron Ore Association, Cleveland, Ohio; William R. Stirling, first vice-president of the Illinois Steel Company, Chicago, Ill.; Mr. John Lambert, vice-president of the Consolidated Wire and Steel Company, Joliet, Ill.; Capt. H. S. Chamberlain, president of the Roane Iron Company and Citico Iron Company, Chattanooga, Tenn.; Col. A. M. Shook, director of the Tennessee Coal, Iron and Railroad Company, and director of the Southern Iron Company, Nashville, Tenn.; Mr. Thomas Seddon, president of the Sloss Iron and Steel Company, Birmingham, Ala.; Maj. G. M. Laughlin, of Jones & Laughlins, Pittsburg, Pa.; Mr. Charles L. Gilpin, representing W. D. Wood & Co., Pittsburg; Mr. W. C. Cronmeyer, president of the Tinned Plate Manufacturers Association of the United States, Pittsburg, Pa.; Mr. David Reeves, president of the Phœnix Iron Company, Philadelphia; Mr. F. W. Roebling, representing John A. Roebling's Sons Co., Trenton, N. J.; Mr. P. H. Laufman, representing the Apollo Sheet Iron Works, Apollo, Pa.; Mr. James M. Swank, general manager of the American Iron and Steel Association, Philadelphia, Pa.; Mr. Cyrus Elder, representing the Cambria Iron Company, Johnstown, Pa.; and Dr. L. R. Coates, representing the Locust Point Iron and Steel Works Company, Baltimore, Md.

The CHAIRMAN. The hearing this morning is given in response to the request of the Iron and Steel Association of the United States through Mr. Swank, and he has placed before me here the order in which each person will address the committee, and the first name is that of Mr. Joseph Wharton, who is chairman of this delegation, and who is the vice president of the American Iron and Steel Association.

STATEMENT OF MR. JOSEPH WHARTON, CHAIRMAN, AND VICE-PRESIDENT OF THE AMERICAN IRON AND STEEL ASSOCIATION, PHILADELPHIA, PA.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I am obliged to take this place in consequence of the absence of the president of the association, the Hon. B. F. Jones, of Pittsburg, who is not able to be with us to-day, and I come unprepared to make anything in the nature of a formal speech, as I merely have to introduce these people in the conversational way, leading up to the point where each gentleman present will speak in regard to the particular section or particular line of industry which belongs to himself. The bond of union between the iron and steel manufacturers in this country is not a very close one. There is nothing in the nature of a league, or even of an alliance. The Iron and Steel Association of America is nothing like a close corporation,

but it is an association which we belong to for the purpose of keeping correct statistics and keeping up a general fellow feeling between the different sections of the country and the different branches of trade. We quarrel among ourselves when it suits us, but we all feel a certain attachment to the association which I have the honor of representing.

The magnitude of this interest, I think, is not always appreciated either by our friends or by our enemies. The industry has run over twenty-nine States, making pig iron, bar iron, steel, etc., and is widely disseminated, therefore, from North to South and from East to West, and I think the number of workmen actually engaged is about 450,000, which, by the rules of ordinary calculation that each married workman has a family of 5, a wife and a family, and while the number is sometimes more than 5, it makes an average of about 5 for each workman, and that makes a population of 2,250,000 who are directly interested in this manufacture of iron and steel.

The CHAIRMAN. Do you include the miners in that?

Mr. WHARTON. Yes, sir; the miners and the makers of coke, but not the persons who are engaged in transportation. That includes the miners of fuel and ore and the manufactures of all sorts of the different branches of the iron and steel industry. It is a thing that is not so easy to get at. I tried to get the information accurately, but the most I can do is to say I believe it is about 450,000. Now, it is not only that 2,250,000 persons who are directly interested in all parts of the country—a larger constituency, a larger number of persons in whose interests we are at work are the consumers. There is not one in the country who is not interested in extending the iron and steel industry in a highest state of efficiency, because by that he gets his wares at a lower price and better than if this industry is broken up, crippled, or extinguished.

I know every gentleman on this committee will claim that every one desires to have his own country prosper, that no one imagines that such a thing could be done if we do as was done in Spain when all the best artisans were driven out by Ferdinand and Isabella, or as happened in France when the Huguenots were driven out and industries were crippled. Such things are not to be done nowadays, and yet to read the newspapers on the free-trade side one would imagine nothing less than something of that sort would satisfy the people who are clamoring for a reduction of the tariff rate. They seem to desire to have our industries put down to a point of inefficiency, to be crippled, to be made unable to perform their functions. When people come to the responsibility of holding a place on the Committee on Ways and Means they are not to be classed with that class of irresponsible writers and speakers. When a man has reached the dignity of becoming a member of this committee he feels the responsibility and knows he is to act for the whole country and not for any one section or even for the political part of it to which he belongs. I do not propose to say a word, therefore, to-day that can be construed as expressing any doubt of the intention of every member of this committee to do his duty, as he conceives it, toward his fellow countrymen in this matter of sustaining an industry by which they personally help them and their families, and by which all the citizens of the country are provided with the necessary things that the iron and steel industry produces. The question as to how to treat this industry in order to promote our greatest efficiency is one that people naturally differ upon. No one, I think, imagines that his own particular views are to rule. It is a matter of compromise; for debate and discussion, and finally for compromise. In that sense every tariff that has been

made since the time I paid attention to that subject, which has been thirty or forty years—and I have been in Washington almost every winter during that time participating in discussions before committees on the tariff question—on every occasion the resulting bill has been a compromise or a series of compromises. It will be so on this occasion. Some gentlemen, no doubt, desire to have a full, wholesale revision, a pulling to pieces, and tearing down of what seems to them to be the exorbitant high rates which are charged for commodities, and somehow or other to cut folks up who are sometimes called robber barons, a very fantastical title to apply to anybody in this country; but this discussion of the tariff will have the result that all others have, in a compromise of the different views.

We who are here before you to-day, I think everyone of us, is thoroughly convinced that the tariff we are now living under is the best one the country has ever possessed. The country has not been living under it long enough to feel fully the benefits that it has brought. It has done no harm in any instance that I am aware of. It reduces the rate of nearly everyone, I believe, of the whole range of iron and steel industries, except perhaps in the matter of tin plate. With no other exception is it very important. We are living under these reduced duties and we are satisfied with them. But we want no change. We believe that the fashion of changing the tariff duties is one of the most obnoxious things that can be possibly introduced into the economy of any country. Men who undertake to carry on any of these great industries have to make a very serious investment of their capital and their time. One can not lightly say that he will become a Bessemer steel manufacturer to-day and that he will be in that business to-morrow, even if he could buy an establishment. A plant is a matter of slow growth. If a man wants apples to eat when he is old he has to plant that orchard when he is young. When a man wants to have a Bessemer steel establishment he has to plant that also when he is comparatively young, and when he is a little aged, in the latter part of his life, perhaps, if he is lucky, and the free traders are not too strong for him, he may possibly reap some fruit. But all these plants, as I say, are of slow growth. They are very far-reaching, both as to the places from which they derive their supplies and as to the places in which their benefits in the way of products are disseminated. Anything that cripples one of these huge establishments, or, still more, the whole branch of industry to which the establishment belongs, is a matter of the most serious concern and ought not to be entered into lightly.

We know that all branches of the iron and steel industry are suffering from a condition of strain and distress, of which I suppose a very few persons out of the business are aware. We hardly dare to admit how great that strain is. It is not only that we are unable to make a profit, it is not only that the losses that we incur are almost more than we can endure, but our vitality is touched in a nearer way by the destruction of credit. Every great establishment uses credit. No merchant in a large way and no manufacturer in a large way expects, nor is it expected of him, that he will have capital enough to carry on all branches of his business without borrowing. Everyone, I may say, is a borrower. Now, when a time like this comes, of strain and distress all over the country, and when in addition to the strain and distress incident to a demoralized and abnormal condition of things there is added a series of assaults upon the foundation upon which this industry is built, namely, a certain reasonable degree of protection against the avaricious assault of foreigners, when that foundation is assailed,

then every person who gives credit to an establishment or individual begins to draw in. Here is a case where some one has a mill which is worth all he is in debt for. He has some capital, but he can not be making money in a time like this, and when it is known that there is a prospect that the tariff on which he is living is going to be taken away from him his creditor says, "I guess we had better make him pay up." That is the thing the people are now suffering from. The banks are not able to succeed in sustaining the industries, although they are, in a general way, doing all they can. But a bank can not go beyond a certain distance; it has to take care of itself, and when banks are shown that the foundations of a great industry are being withdrawn by legislation they can not in prudence do anything else than refuse credit, and the next, of course, is general bankruptcy. The bankruptcies that have occurred in the iron and steel industry within the last eight months—I have the statement made up—amounted to 93. A great many other concerns have held on to this time, and now it depends upon what you gentlemen do if they are able to hold on.

The question of revenue is one that is not immediately in our province to speak of, and yet it is so wound up with the business that it can not be avoided. We do not think that the Government can afford to destroy the industries of the country in the hope—it has no assurance, but in the hope—that by lowering the duties a larger amount of goods will be brought in, and therefore, even at a lower rate of duty, larger revenues will come into the Treasury. We do not think that you gentlemen of the committee intend to treat the question in that way. The revenues have to come in, and so far as they are paid by foreigners I believe none of us could imagine a more satisfactory way to replenish the Treasury. The nations are all hostile to each other in trade; there is no friendship in trade. Any nation that can see the way to take plunder from another people in the way of trade is going to do it surely. Now, in defending our own industries against the assaults of foreigners, which the tariff does like an armor plate on a man-of-war to protect her crew against the enemy, the industrial soldiers of this country are quite able to take care of themselves and fight their battles, provided they are on equal terms with the industrial soldiers of other countries. On the other hand they are not on these equal terms because they have to pay more for living here and have to get more wages. We do not see any reason why they should be exposed to be picked off and destroyed by the enemy by reason of having no protection. If they are behind the walls of a reasonable protective tariff they can fight as well as the men on board an armor-plated ship. They can do their duties then and bear their part with a certain degree of confidence.

But, to finish that point, I think that everybody will agree that, so far as the revenues for the United States Treasury can be derived from foreigners, it is a highly satisfactory way of getting a revenue. If, however, that revenue that comes into the Treasury of the United States had to be taken out of the pockets of our people by the prices being added to the goods, then a very serious question will arise whether on the whole it was the best way of getting any revenue, but we are prepared to say that is not what takes place. We are prepared to show—that I will not undertake, because gentlemen can do that in details of the iron industry, if you desire to hear that, or it can be given to you in form of statistics later—but we are prepared to show that in nearly every case, we might say in every case, the foreigner who desires to enter our markets is willing to pay, and knows he will have to pay, for the privilege of getting into our markets a certain sum

of money, a certain rate ad valorem or specific against the goods they send it. They deduct that from the price they would like to have. They make their prices to their American customers such as will enable them to pay the duty themselves, and not to exact it from the American customers. The instances where that can be specifically shown are very numerous, and therefore, I say, when revenues are derived from duties upon imports it comes almost entirely out of the pockets of the foreigner, and is therefore a highly satisfactory way for the United States Government to replenish its Treasury. These foreigners, the men who make goods to send to America, are not citizens of this country and are not amenable to our laws. They are not liable to conscription, or drafting, or anything of that kind, for filling up our armies in case of war. They pay no tax of any sort into this Government, and merely to equalize their case with that of our working people it is simply just to our working people that those foreign competitors of theirs should pay to the United States Treasury something in the nature of a tax for the privilege of coming in here, and, as I say, they do it. It does not come out of the pockets of the American consumer. It comes out of the pockets of the European, and that we are prepared to show.

Now, the question as to how to levy these duties is an important one, and one point I desire to briefly call your attention to is this: Whether specific or ad valorem duties on the whole are most desirable. We think that all experience shows that ad valorem duties are exactly suitable for allowing foreigners to defraud our revenues, for it is a common practice of exporters to this country to undervalue their goods. It is a common practice for these exporters to send their goods not to a bona fide buyer in America, but to their own American agents, who have no interests therefore in pointing out an error in the valuation. When our Treasury agents are sent to other countries and instructed to ascertain the prices of various kinds of goods that are habitually sent here they find very great difficulty in getting the honest price of those goods. The manufacturers abroad will not give those prices, and it is almost impossible to ascertain what the real prices are, and impossible, assuredly, to ascertain whether the ad valorem duty is fairly collected. If a piece of goods is worth a dollar a yard and pays 50 per cent ad valorem duty it would seem to be a very satisfactory rate of duty, but if that piece of cloth is valued in the invoice at 25 cents a yard and pays the 50 per cent I think that is something very different. We see no advantage in any case of an ad valorem duty, and we think in every case the duty should be specific, so that the buyer and seller both know with great distinctness what they have to pay.

With this branch of the subject is closely connected another, namely, the administrative clause of the tariff bill we are now living under. This administrative clause was framed with great care, and I think one of the greatest grievances the foreigners have against our tariff is that their little methods of cheating the Government are ordinarily unavailable. In this respect the present tariff bill is the best one the country has ever possessed. We think therefore, whatever you do as to the rates of duty, that you ought to adhere to the specific plan instead of going to the ad valorem, and we think that you ought to adhere to the administrative clause of the tariff bill we are now living under.

When we come to speak of the rates of duty there is of course an endless field for discussion and for a difference of opinion, but from our point of view the thing to be aimed at is to have a rate of duty such

as will prevent on the one hand any slouching dependence upon that duty as a means of getting a living and will prevent on the other hand foreigners having such easy access to our markets as to destroy our own working people. Between these two extremes the rates have to be fixed in every case. It is not to be expected—I think it is quite beyond human powers for any one person to know what the duties ought to be on the whole range of articles embraced in the tariff schedule. It is very much as if a person who is extremely well posted upon one branch of a business, such as iron and steel, should be able to give fair rates of duty upon all articles embraced in that branch; I should not pretend to be able to do it, and I do not know of any person who would undertake to do it. The persons operating different establishments are the only ones. They are face to face with what I may call the enemy. They know what the strategy is likely to be; they know what dodges he is getting up, and they know about what course ought to be taken to baffle his purpose of using our markets to the disadvantage of our own people and for his own selfish gain. I think that any committee considering a question like this is bound to listen with very respectful attention to the views of men who know of this matter, who know what they are talking about, and know the specific rate which is needed upon a specific article or a series of articles in which they are interested. No matter if the committee does not agree as to the rate; they will learn why it is that such a rate is thought to be desirable, and I think in many instances they will be convinced that the person speaking in the way I suggest really understands his business, and probably, on the whole, he is part right in his views. But we are bound to admit, we know, that our views are not those of all the members of this committee. On the other hand we do not for a moment believe that the views that some blatant free traders put forth, that the manufacturers of America are to be looked upon as a set of thieves and robber barons and the like—we know that no idea like that is going to find lodgment in your minds. We believe you are going to approach this question as patriotic Americans, who feel a pride in the tremendous advance the country has made in all kind of manufactures and the promise of the future of this country if it is properly taken care of by legislation, the leading country in the world in manufactures, and after we have said what we have to say we shall await the decision which you come to in regard to a specific rate with a good deal of interest.

We are not going to-day to propose any rate of duty ourselves, because our ground is the country is satisfied and is prosperous, so far as the prevailing money conditions will permit, with the existing tariff. We believe that the distress that now prevails everywhere is due quite as much, and probably more, to an apprehension that we are all suffering from of an uprooting of the foundation upon which we are building by adverse tariff legislation more than by the currency question. We know it is as necessary to have an absolutely fixed standard of money payments as it is to have an absolutely fixed standard of weights or measures. No country can carry on its business by any rude system of barter. The pay has to be as accurate as the measure, and we are therefore entirely in accord with President Cleveland's views as expressed in his message upon the silver question. I do not think there is one of us who does not think the currency question is one of chief importance, and it must be settled before the country can be settled down to permanent prosperity, but we also believe that that is not the sole, even not the greatest, source of the present misery. It is an apprehension in addition to that currency trouble that we are going to

have the whole fabric of our establishments destroyed by legislation honestly intended but not thoroughly acquainted with the facts that ought to govern it. As I said, we do not to-day propose to suggest rates. We think that our function to-day is to protest against change. We are suffering from a strain we can hardly endure. We think if that one point of the tariff rate was fixed, namely, that it should remain as it is now until this period of distress is entirely over, a couple of years hence—because the distress is not going to pass over rapidly—we think the country, under certain conditions, would recover rapidly, and then when the tariff question should be taken up it could be done without any acrimony or dispute, and where changes are shown to be necessary you will find the manufacturers of the country would meet the views of those who think the rates should be changed in as liberal a spirit as possibly could be. We have no desire to plunder our fellow countrymen, and we have no desire to have more than our share of the national prosperity.

Now, then, I may speak upon one other point which belongs to that general treatment of the subject. We hear a great deal about class legislation; about taking by legislation money out of one man's pocket and putting it into another man's pocket. Now, then, this is a fantasy, a kind of bugaboo, and it has no real existence. There is no law which says John Smith shall pay John Jones so much per annum; there is no law which says John Smith, if he thinks John Jones is getting too much of this world's goods, shall not go into the same line of business. The laws are such that any man can go into any kind of business whatever. Any section of the country which thinks another section of the country is prospering too greatly will probably find if he pays attention to the subject it can itself go into the manufacture of that product, just as in the South they have found in regard to the iron and steel business. I remember very well in the manufacture of iron and steel when it was confined to a small region along the Atlantic seaboard, and it did not penetrate inland and did not go beyond the Alleghany Mountains. We consequently had to encounter the hostility on the part of the country west and south from getting such a rate of duty as to protect us on the Atlantic seaboard from the assault of foreigners across the sea. That has been all changed. Some of the most prosperous and magnificent establishments in the whole country are at what we would even call the extreme far West and in the extreme South. The States westward, Colorado even, are strongly interested to maintain in vigorous activity the manufacture of iron and steel. In the Southern States you all know Alabama has stepped to the front, and the iron industry there is of great magnitude and the Southern people are thoroughly convinced they are going to be able to give the Northern people all they want in the way of competition, and in point of fact by this domestic competition it is continually reducing prices. The conditions which are established by legislation are in the nature of an invitation to all of our people to go into this or that industry. A railroad president may think that his company on the whole is paying more for steel rails than he thinks it ought to, and he may perhaps be a Southern man and wish to encourage the establishment of steel rail works down in his own region. Our laws are such as to invite him to do that business. The laws promise if any person having the brains and the money will devote his brains and his money to the production of a certain article that he shall have certain advantages, not over his fellow men but the foreigners, and on that promise these works are established. They require great capital, they require long toil, they require education in a great many special-

ties, and all these conditions exist and people are willing to enter upon an industry with the assurance on the part of their government that they are going to have a reasonable protection, not, as I said, against their fellow countrymen, but against foreigners who owe no allegiance and who are our enemies in time of war and no less our enemies in times of peace.

Mr. TURNER. How long has it been since this organization which you represent was formed?

Mr. WHARTON. Mr. Swank, I think, can answer that better than I can.

Mr. SWANK. In 1855.

Mr. TURNER. Could you state succinctly the history of tariff legislation of this interest which you represent during that time?

Mr. WHARTON. I do not think I could add anything to the knowledge that the members of the committee possess. It has been a tussle uphill and downhill; but, as a general thing, the protection was inadequate until the year 1861. Then the tariff was made, commonly called the Morrill bill.

Mr. TURNER. Were these industries prosperous prior to 1861?

Mr. WHARTON. They were very feeble, and as a general thing I might almost say they were insignificant. They were struggling and feeble. The development since then has been of the most magnificent character, until now this country leads the whole world in the manufacture of iron and steel.

Mr. TURNER. Why do you lead the whole world? Is it on account of the operation of this tariff or is it on account of the improvements in the process of manufacture?

Mr. WHARTON. It is on account of those two things, and also another, namely, we possess here the materials necessary, or most of them, for the manufacture of iron and steel in all their branches. That condition underlying, we are then depending upon the legislation of the country as to the terms upon which we are to meet foreign competitors; and then, being in the business, it is our function and duty to make all the improvements we can to carry out the manufacture to a higher degree of efficiency. The conditions making it possible even to exist having been once established, then, in part, inventive talent has been brought to bear upon all the different problems involved in the manufacture of iron and steel.

Mr. TURNER. To what extent are these processes protected now by patents; to a large extent?

Mr. WHARTON. They are generally not protected at all. Some few are.

Mr. TURNER. Has the Bessemer patent expired?

Mr. WHARTON. Yes, sir.

Mr. TURNER. Are there patents in the process of converting iron into steel expired or are they still patented?

Mr. WHARTON. Some have not expired, namely, those in regard to the manufacture and treatment of basic steel.

Mr. TURNER. Are some new patents for utilizing more fully the ores in Southern and Western States frequently proposed?

Mr. WHARTON. We hear from time to time of processes by which iron is to be made direct from the ores without the intervention of the blast furnace, but if there are any they have not come to any good.

Mr. TURNER. These iron goods which you meet in the market from Tennessee and Alabama, are they really displacing your goods to any extent in the market?

Mr. WHARTON. In pig iron they are.

Mr. TURNER. What effect is that having on your product; do you use their pig iron in your finished processes, or how is that?

Mr. WHARTON. The iron made in the South is generally unfit for conversion into steel by the Bessemer, sometimes called the acid process. The Southern ores are adapted for most manufactures of iron, that is, for making wrought iron in all its forms and for making castings of all sorts. The Southern ore is capable for making those things, but as a general thing persons who make wrought iron like to mix other iron, so it is probable it would be desirable to mingle some of the Northern iron, particularly those made of magnetite, in whole or in part, with irons of the South; but in a general way, you will say, the South is able to supply itself with iron for all the uses that iron is put to. But when you come to the conversion of iron into steel the South hitherto has not displaced any part of the so-called Bessemer ores, that is, ores which are very low in phosphorus and which are able to be treated by the Bessemer process, sometimes called the acid process, because the converters are lined with silica or something rich in silica, whereas in the basic process the converter or open-hearth furnace is lined with basic lime or magnesia, or both. The South possesses a considerable quantity of basic iron ores, but so far they are not greatly developed, and therefore no one can state how great or how small they are.

Mr. TURNER. Has the condition of this Southern iron changed the character of your production in Pennsylvania to any extent?

Mr. WHARTON. In the production of pig iron it has been a very serious injury to us. We have had to endure that competition of the Southern pig iron in our market.

Mr. TURNER. What effect has that had on prices?

Mr. WHARTON. It has had a very depressing effect on prices.

Mr. TURNER. What does pig iron cost to produce in Pennsylvania? I suppose you get your ores largely from Lake Superior mines, and what does it cost you to produce pig iron from any ores which you get?

Mr. WHARTON. Well, every establishment has a different price; no two would produce pig iron at the same price, but I suppose in a general way the cost price of pig iron would range in Pennsylvania from $13 to $16. There are gentlemen here who are more closely informed as to that point than I am, but these figures will not be very seriously out of the way. I have heard it said that they can make it for $12 in certain favored localities.

Mr. TURNER. Is that from Pennsylvania ores or from ores which you import?

Mr. WHARTON. The Pennsylvania furnaces used to make their iron—I am speaking of those east of the Alleghanies—from an ore from New Jersey and the northern part of New York, but now their furnaces are supplied to a great extent either from foreign ores or Lake Superior ores. When you go west of the Alleghanies the Lake Superior ores are much more largely used, and freights are such as to enable these ores to be brought as far as Pittsburg, for instance.

Mr. TURNER. Has the development of these pig-iron establishments in the South been followed by any large creation of the smaller industries in iron?

Mr. WHARTON. In the South? Yes, I think to a very considerable extent; but this is a thing of rather slow growth, and you can not expect that to take place immediately.

Mr. TURNER. What is the character of these productions?

Mr. WHARTON. I think mostly in bar iron in all forms, in cast-iron

pipe for carrying water, and gas pipes, and all the innumerable small uses to which wrought iron is put, castings of all kinds, such as stoves, and, to some extent, agricultural implements which are made of iron; also for building railroad cars.

Mr. TURNER. Now, are you prepared to state how prices now existing in this country compare with prices prevailing on the other side for similar goods in your line of iron and steel?

Mr. WHARTON. In the special articles, when you come to speak of articles such as agricultural implements, our prices are quite as low as and in a good many instances lower than in Europe.

Mr. TURNER. Some of your associates export these articles and compete with the foreigner in his own market?

Mr. WHARTON. Yes, sir; especially in agricultural implements.

Mr. TURNER. What class of agricultural implements—plows, reapers, etc.?

Mr. WHARTON. Yes, sir.

Mr. TURNER. Edged tools?

Mr. WHARTON. Edged tools, also; yes, sir; axes, chisels, and that kind of thing.

Mr. TURNER. Why is it that the producers of these iron goods are enabled to compete with the foreigner in foreign countries?

Mr. WHARTON. They are enabled to compete because their goods are rather neater, more effective than the foreign; and second, because having this market assured to them by reason of the protective tariff, they are able to reduce the cost price, the price of production, and in that way in America they are able in a great many instances to bring the cost of production down to a point that permits them to go into the foreign markets.

Mr. TURNER. Do they sell their goods cheaper abroad than they do in the domestic markets?

Mr. WHARTON. Not that I know of. I have heard rumors of that kind, but in every case where it was hunted down to the ground it turned out to be a fallacy.

Mr. TURNER. Then, it would seem, the foreigner in this line met in his own home by the American producer would be kept out of this market by some other influences than the protective tariff.

Mr. WHARTON. I think I can answer that question very well by referring to an elaborate paper which was produced in Germany by a man whose name I have forgotten—I have the original German treatise at home and read it carefully. He takes up the question as to what the effect is upon imports and exports of a protective tariff. In Germany the rates of duty are such that he divided them into three classes. He first takes up the articles or commodities which enter into Germany free of duty; next those which enter into Germany with some duty but insufficient to be protective; and next he considers those articles which are protected by an adequate duty so as to keep out foreign goods. Now, he takes the entire statement of importations and exportations for a period, I forget how long the period is, but possibly only for the year before that in which the treatise was written, or possibly for several years, but he shows with the utmost clearness that in the case where importations into Germany were free the German product of that article has dwindled. In the case where the duty upon the foreign articles coming into Germany was inadequate to protect the German product the German manufacture has dwindled, but not to so great a degree; while in the case where the protective duties have been adequate the German products have been so cheapened in price by domestic compe-

tition they have overflowed into foreign countries, and the exports of Germany, of those things which Germany makes, are exactly the things which are protected by a duty adequate to keep out the foreign competitors. Now it is a very striking fact, which has never been before so well developed as by this German, whose name I can not recollect, that making an adequate dike against foreign invasion causes prices to fall in the home market. As I said before, we are able to point to a number of instances in our country, but I do not know that this question has been so thoroughly examined and discussed in this country as it has been by this German author, whose work is quite undeniable.

Mr. TURNER. If you broke down the dike would it have the effect, according to that theory, to raise prices or lower them? What would be the tendency?

Mr. WHARTON. It would raise prices, because it would cripple the home product.

Mr. TURNER. We were talking, you know, about the reasons why the home product could enter the foreign market and compete with that foreign market?

Mr. WHARTON. Yes.

Mr. TURNER. Would the breaking down of this barrier increase the competition by adding that of the foreigner?

Mr. WHARTON. Yes, this increased competition would be disastrous to the domestic producer.

Mr. TURNER. Could he come over and compete with you at home and do more harm?

Mr. WHARTON. Infinitely more, because the foreign market is always trifling. The foreign market we have for iron and steel goods, I think, would add up a rather steep figure in millions, but it is nothing to compare with this huge market here. You have all heard of the dog who took a piece of meat in his mouth and went over a stream of water on a bridge and saw another dog under him who had what he thought was a little better piece of meat and he dropped his to get that. That is what we would do if we gave up our home market in order to go after the foreign market.

Mr. TURNER. Is there any agreement or understanding practiced within your organization to limit the output of your mills?

Mr. WHARTON. Are you speaking of the whole Iron and Steel Association of America?

Mr. TURNER. Or any branches of it?

Mr. WHARTON. No; I may say generally there is not. In the steel rail trade we have something which approaches this, but it is not just of the nature you state. I can not give an affirmative answer therefore to that question.

Mr. TURNER. What are the prices for steel rails at this time in this country?

Mr. WHARTON. Well, I should say generally about $29 a ton.

Mr. TURNER. I did not mean at a time when a stringency existed, but I mean the average rate of price?

Mr WHARTON. It is about $29. It began at $30 and it gradually dropped down to about $29.

Mr. TURNER. What is the price on the other side for similar goods?

Mr. WHARTON. Well, I do not keep posted in regard to that, but I should say I think it is about 2 pounds 10 shillings.

Mr. SWANK. It is about $18 on the other side.

Mr. WHARTON. That is more than 2 pounds 10 shillings.

Mr. TURNER. The difference in price is not quite equal to the tariff rate?

Mr. WHARTON. No, it is not. One point has to be considered, however, in regard to the possibilities of foreigners coming into our markets, and that is the question of transportation. It costs us more than the English to get to the Gulf ports. When they send down there for cotton they can carry steel rails, for instance, to a cotton port at very low prices, even lower than we can send our rails from the North. Their mills are generally close to the water and their cost of inland transportation and putting on board of ship is less than ours.

Mr. TURNER. The ocean transportation to this country affords an additional protection?

Mr. WHARTON. It is where we are sending inland, but when we have to go to the seaboard it is not, because, as I said, I am a member of the Bethlehem Iron Company, and if we are competing with Englishmen to deliver rails at New Orleans, Galveston, or any of those places along the Gulf we have to pay a higher rate of transportation than the Englishman does, and the transportation in that case diminishes to that extent the protection which the duty appears to give.

The CHAIRMAN. I understood you to say the 450,000 persons engaged in the iron and coal industries of the country included miners of ores?

Mr. WHARTON. Yes.

The CHAIRMAN. Miners of coal?

Mr. WHARTON. Yes.

The CHAIRMAN. And those employed in coke ovens?

Mr. WHARTON. Yes, sir.

The CHAIRMAN. The various workers in iron and steel?

Mr. WHARTON. Yes. On that point I have not the information very sharp and accurate as I desire. I was not able to get hold of the census statistics on that point and I took the statement of a well informed man who has paid more attention to it than I, but I have no reason to doubt it is accurate.

The CHAIRMAN. Can you give the average wages of a miner of iron ore who has regular employment all the year?

Mr. WHARTON. That differs very much in different parts of the country. In the Lake Superior region they pay more than we do in Pennsylvania or New Jersey. The climatic conditions under which they live there are not so favorable and men have to be paid to go up there. I think in regard to the Lake Superior region I would like to have Mr. Ely answer.

The CHAIRMAN. Mr. Ely can probably answer those questions I am asking you, and I will not ask you to answer them. Probably he can tell us what I intended to ask you as to the cost of the ore at the mouth of the mine in Michigan, Pennsylvania, England, Belgium, and Germany.

Mr. WHARTON. I think it would not be judicious for me to speak in regard to that, as there is a gentleman here who knows the thing better, and for whom I have no right to speak.

The CHAIRMAN. I understand you to contend that the foreigner pays the tax, and it is a good thing for us to have the foreigner pay our taxes?

Mr. WHARTON. Yes.

The CHAIRMAN. If you shut out foreign products by a tax we take away from him the opportunity of paying our taxes?

Mr. WHARTON. Yes.

The CHAIRMAN. So it throws the tax upon our own people?

Mr WHARTON. Yes, sir; in point of fact that has never taken place, and under the present tariff the importations are larger than ever before the McKinley tariff. In fact the charge was that we were setting up a Chinese wall and stopping foreign commerce. In point of fact it did not have that effect, and the commerce of the country increased under it, both importations and exportations. Just at this time importations, of course, are checked, but the cause is the extreme stringency of money first, and second, by apprehension on the part of foreigners or hope on the part of foreigners, that if they delay sending in goods they will get them in on better terms.

The CHAIRMAN. This dike or defensive armor on the ship would effectively prevent the foreigner from paying our taxes for us?

Mr. WHARTON. No man who is authorized to speak for the Iron and Steel Association of America, or authorized to speak generally for the protective side of the argument, has ever claimed or desired to have that kind of a barrier. When I use a simile of armor plate or dike—I am glad you called the attention of the committee to it—it does not at all mean that we are afraid to meet foreigners upon terms where we have equality, but if a trained boxer is brought to fight with an untrained man the untrained man is a little bit uneasy and wants to see if he can help himself in some way, and we in this country have been in the condition of the untrained man against a prize fighter. We are not pleading the baby act. We have grown to a stature where we can fight our own battles, and we merely demand of our legislators to give us a fair showing and let us in on equal terms.

The CHAIRMAN. That is not the particular thing that I was speaking about at the time. I was getting at the idea of the advisability of throwing our burdens upon the foreigner and taking them from the shoulders of our own people?

Mr. WHARTON. This is a question of rate and not absolute prohibition. If the duty is very light the foreigner pays the light contribution, and if the duty is heavy he will have to pay more.

The CHAIRMAN. Now, in regard to this dike of which you were speaking. If I understand the trend of your argument it was that this dike should be deep or broad enough to save the home market as far as possible for the home producer?

Mr. WHARTON. That is always with the reservation we never have desired and do not now desire to have an absolutely exclusive foreign tariff. We are quite willing to stand our just competition, provided our legislation does not make that a destructive competition.

The CHAIRMAN. If I caught your idea with the protective tariff, which was the dike, we would to a large extent at least save the home market for the home producer?

Mr. WHARTON. Yes.

The CHAIRMAN. Save the opportunity to make the thing that we use in the home market to the people of this country?

Mr. WHARTON. Yes, sir.

The CHAIRMAN. Suppose there is a class of people in this country who, after they have exhausted the home market, still have an immense surplus of products on hand, what are you going to do with that class of people?

Mr. WHARTON. That class of people will endeavor, I imagine, to sell their product abroad, and if the terms on which they are producing are low enough they will have some success. If they have been encouraged to put in one improvement after another and organize their industry the higher and higher will grow the perfection until we reach

a point where we are able to put some of the product in the foreign market and meet them there. That is the normal result of the adoption of a system of protection.

The CHAIRMAN. I am not speaking so much of those who have worked up so they have a slight surplus which they can send out into the foreign market, but of the very class of our people who produce products for which they are obliged to seek a foreign market for a larger part, perhaps, of what they produce, or for so large a part of what they produce that the price of the foreign market makes the price of the home product. Now what benefit will your dike be to them? Make it specific; take the cotton planter who produces three or four times as much as he can sell in this country; what good will this dike do him?

Mr. WHARTON. The cotton-planter so far has had his price regulated for him by the price in Liverpool. If this country can stimulate or develop its own consumption of cotton to that point where this market becomes the ruling market and governs quotations he then will no longer be subject to the whim of the Liverpool people or their adopting that plan, which they are capable of, of rigging the American planter against the Indian cotton-planter.

The CHAIRMAN. Do you think it is within the limits of any reasonable time to have a sufficient demand in this country for all the cotton produced in the country?

Mr. WHARTON. Probably not for the whole of it.

The CHAIRMAN. Is not our cotton crop of America to-day larger than the cotton crop of the whole world fifteen or twenty years ago?

Mr. WHARTON. I do not know the facts, but I have no doubt of it.

The CHAIRMAN. The same way with the wheat-grower. Now, let me pursue that inquiry a little further. The man who sells to the home side of this dike you speak of sells subject to the competition of the home market only, does he not?

Mr. WHARTON. Yes; modified by the extent of the foreign goods coming in.

The CHAIRMAN. Only a mere trickling stream of foreign goods comes across that dike?

Mr. WHARTON. When we are importing $300,000,000 or $400,000,000 of foreign goods that is something more than you would call a trickling stream.

The CHAIRMAN. Take steel rails. We produce in this country 1,500,000, 1,700,000 or 1,800,000 tons of steel rails; there is no foreign competition with that product?

Mr. WHARTON. None.

The CHAIRMAN. Practically none?

Mr. WHARTON. Practically none.

The CHAIRMAN. Now, if a man who sells to the home side of the ditch has his market price fixed by the competition of the home market only?

Mr. WHARTON. With the result that as soon as he gets a little too lofty in his views then the gates are opened and foreign rails come in.

The CHAIRMAN. That is, whenever the price would be put up so high that foreign rails could be imported into this country with the tariff paid upon it, then he is subject to a competition.

Mr. WHARTON. Just so.

The CHAIRMAN. But so long as he keeps slightly below that limit he has no competition but the home market?

Mr. WHARTON. Yes.

The CHAIRMAN. But the man who is obliged to sell on the outside

of the ditch, as the cotton-producer, the wheat-grower, the cattle-raiser, and other men in this country, just as soon as he gets outside of the tariff ditch he sells at a price made by the competition of the world's market, does he not?

Mr. WHARTON. Yes.

The CHAIRMAN. Now, if you place a tariff tax upon products that he gets in exchange for his wheat, cotton, or meat, is it not the same as if you placed a tax upon those products themselves before they went out?

Mr. WHARTON. I think I will have to divide your statement into two branches. In the first place, these men who raise wheat, pork, etc., by reason of the immense number of persons engaged in the manufactures here, sell nine-tenths or more of their products here in America at high prices, which our people are able to pay by reason of getting good wages. Nine-tenths of his product is sold at much higher prices than he could hope to get, except by protection, which leads some of the men to engage in other business than the raising of these same products.

The CHAIRMAN. Is it your understanding a bushel of wheat consumed in Washington produces a higher price to the producer than a bushel of wheat consumed in Liverpool?

Mr. WHARTON. Yes, sir.

The CHAIRMAN. Are there two prices in the market, one for home consumption and one for foreign?

Mr. WHARTON. I think you will find that is the case. It may seem to be a little unreasonable, but I think you will find the foreign market, being in the nature of a surplus or slaughter market, is always a little lower, but in the long run the farmer gets a better price when he does not have to pay freight across half the continent and the ocean than when he does have to pay those freights. In other words, the man who is raising wheat, we will say in Minnesota, will get in Chicago a higher price for that part of his wheat that he can sell in Chicago than for the larger part he has to sell in Liverpool.

The CHAIRMAN. Does he not sell all in Chicago; does he know which particular bushel goes to Liverpool?

Mr. WHARTON. He does, and Chicago being an immense market keeps up prices and prevents the market sagging down low at prices where the foreigner would be willing to take the wheat.

The CHAIRMAN. Do you refer to the farmer using Liverpool as a slaughter market, sending over his surplus when he does not get rid of it in this country?

Mr. WHARTON. The farmer personally does not know where it goes. but he sells it to the nearest elevator and that is the way it works out,

The CHAIRMAN. A market which takes more than one-fourth of all our product is not a slaughter market?

Mr. WHARTON. I think in point of fact it is about one-tenth. (See correction at end of statement.)

The CHAIRMAN. You are mistaken about that, I think; and in cotton it is about two-thirds.

Mr. WHARTON. We are speaking about wheat; I think it is about one-tenth. I do not pretend to be correct, because I am not in that line of business.

The CHAIRMAN. I think you will find when it comes to fat cattle at least (I represent a district that has a great many fat cattle raised in it) that the price of them abroad is a little better.

Mr. WHARTON. That is probably because you send the pick over.

The CHAIRMAN. That is true, those are picked cattle which are sent abroad.

Mr. WHARTON. But I think I may fairly ask whether your people who are engaged in raising cattle do not feel satisfied, on the whole, they get better prices for their cattle by reason of having an enormous home market at their doors than they could get for their cattle if they had no other market except Liverpool?

The CHAIRMAN. I think our people feel that if they can send their cattle over to Liverpool and sell on the Liverpool market that we can take care of the home market. If they can pay the freight and sell them in Liverpool nobody can beat them out of the home market. I think that is their idea.

Mr. WHARTON. I would say at one time the argument was used against us when we were talking about a duty on steel rails that we were unable to supply steel rails which the country needed. We were asked why should the railroad companies be obliged to pay a bonus on steel rails when the country did not supply them; that if we were able to make all the rails that was another question. We went on and did build more mills and improved these until now we are more than able to supply the whole country.

The CHAIRMAN. You spoke of being willing to contend with the foreigner when you were put upon an equality with him in answer to Judge Turner's question, did you not?

Mr. WHARTON. Yes, sir.

The CHAIRMAN. Now, let us take the matter of steel rails as a matter of illustration. I understood you to say that the price of steel rails in this country hasgone down to $29 a ton?

Mr. WHARTON. Yes, sir.

The CHAIRMAN. It is, has been generally $30 a ton in recent years?

Mr. WHARTON. Yes, sir; the price ran about $30 a ton for about a year, and then when this depression began there were not orders enough to keep the mills going and they competed with each other and cut the price down to $29 a ton, and I have heard of some sales made at some mills at a lower figure.

Mr. GEAR. As low as $26 a ton?

Mr. WHARTON. We fortunately have not come to that yet.

Mr. DALZELL. We have not struck that point in Pennsylvania yet?

Mr. WHARTON. No.

The CHAIRMAN. Let us pursue that inquiry a little further. Can you tell us the difference in the cost of producing a ton of steel rails in Pennsylvania and in England and on the Continent?

Mr. WHARTON. No; I can not. I did not come prepared for that.

The CHAIRMAN. Have you ever examined the volume of the report of the Commissioner of Labor where he has gone into this subject very exhaustively?

Mr. WHARTON. No; I have never seen that book.

The CHAIRMAN. It is the Sixth Annual Report of the Commissioner of Labor.

Mr. WHARTON. I remember to have heard from some persons who had read the book that the Commissioner of Labor did not include in the statement of what the labor was for making a ton of rails all of the branches and items that should have been included.

The CHAIRMAN. These are the figures of the report of the Commissioner of Labor. The average cost per ton of 2,240 pounds of steel rails in the United States was $24.80, in Great Britain it was $18.59, and on the continent it was $19.57. Can you give us any idea what the expense

is of transporting a ton of steel rails from abroad where they are made in England to the seaboard in this country?

Mr. WHARTON. I do not think it would be fair for me to attempt to give figures like that when I am not prepared to give them. I am willing to say if the committee desires to have accurate and carefully prepared information on that point we will prepare such a statement.

The CHAIRMAN. I am not pressing that question, of course, Mr. Wharton. Assuming these figures of the Commissioner of Labor to be correct, so that the difference between the cost of producing a ton of steel rails in this country and in England is $6 a ton, then to get upon an equality with the English producer you would need a tariff upon steel rails which, added to the cost of the transportation to this country, would make his steel rails enter the market at the same price as you can produce?

Mr. WHARTON. I have answered that question in part in a remark I made a while ago that I have been told by persons who have examined that statement of the Commissioner of Labor that it is not a true statement, because it did not include all those items or branches of labor which has been engaged so as to properly show the difference between the two. Then as to the transportation, I have already stated that wherever the Englishman can get in by water he has the advantage over us instead of we having the advantage over him. He can get to Galveston, New Orleans, Mobile, and all of those places, and still more so San Francisco, at much cheaper transportation rates than we can.

The CHAIRMAN. I presume these items of cost as taken in one country were taken in all the others, so if any were omitted in the United States they were omitted in the other countries also, and if I remember correctly, I will not state it as a fact, the Commissioner complained that only one of the steel manufacturers of this country would give any information as to the cost of production. I may be mistaken about that, but this equality which you spoke of in answer to Judge Turner would be brought about by a tariff sufficient to bring up the cost of the English rail when brought to this country to the increased cost of production in this country, would it not?

Mr. WHARTON. Yes, sir; but I am not prepared to admit that this statement made by the Commissioner of Labor is accurate when, on the contrary, I have reasons to believe it is not accurate.

The CHAIRMAN. I am not pressing that at all. I am just asking of the general proposition that a tariff which added to the cost and transportation, if there be any increased cost in bringing rails over here, would equalize the price at which the Englishman could sell in this market, and the price you could produce and sell would be made on that equality.

Mr. WHARTON. Yes, sir; but now comes another branch of the subject which has to be considered, and that is to say that in countries which pretend to be much more nearly free-trade countries than we are, no country, not one that pretends to the lowest degree of civilization, will admit that its citizens shall not have an advantage. They do not say that their citizens shall stand in the arena merely on equal terms, but they say that the legislators are guardians of those people and that we will see that our champions have some advantage over their antagonists, so that Germany, and France, and Austria, and countries which are nearly on equal terms as to labor, each protects its labor, notwithstanding that fact, by an import duty to protect their enterprises.

The CHAIRMAN. I was simply putting the question on the basis of your own answer——

Mr. WHARTON. If I remember what was said, perhaps I do not remember it accurately, it was we were able to produce here on the same terms of other persons if we had labor upon the same terms and if that point was equalized by tariff legislation we would then be on equal terms.

The CHAIRMAN. Now, anything which increases the price of crude iron and crude steel, if I use those terms properly, to the workers in iron and steel, is to their disadvantage?

Mr. WHARTON. That question is not so pertinent to the point as it would seem, because the persons who make finished products in iron and steel are to some extent the same persons who make those crude materials. The steel-rail maker these days does not expect to purchase the pig iron to make it. He purchases pig iron from time to time when he finds he can buy to advantage, and when he finds he can produce it to more advantage he produces it.

The CHAIRMAN. I understand the 450,000 workers which you alluded to included all the workers in iron and steel?

Mr. WHARTON. Yes, sir; all of them.

The CHAIRMAN. Well, those who are obliged to have crude iron and crude steel in their works, are not they injured by anything which stimulates the price of the material in which they work?

Mr. WHARTON. There are present here gentlemen who are in the position to which you allude, for instance people who make wire, wire nails, one of the largest branches of the steel business at the present day. I think it would be far more enlightening to the committee to let some of those gentlemen answer the question whether he thinks he can get his material in the long run cheaper if the American mills were shut up than if the American mills were kept going with a tariff, even if the tariff rate was apparently unnecessarily high.

The CHAIRMAN. That reminds me to ask a question which I thought of while you were making your first remarks. Taking the improbable supposition of wiping out all rates on iron and steel goods of every kind, what would the effect of that be upon the foreign producers?

Mr. WHARTON. Why, of course, that would stimulate them to a larger production, and they would occupy this market to the extent they could.

The CHAIRMAN. Is there any country which could occupy our market?

Mr. WHARTON. Not wholly.

The CHAIRMAN. Could any country occupy a very large part of our market?

Mr. WHARTON. Yes, sir; there is England, Germany, and France, and Belgium, which are ready to occupy a large portion of it.

The CHAIRMAN. Would not the effect be to increase prices abroad so we could still hold on to our market?

Mr. WHARTON. That is problematical; we do not know to what extent that would take place, but to some extent it would, and if they undertook to carry it too far they will reach a point where we can begin to gain even without any duty, but that, of course, would be temporary, and in a very little while the price would drop again, and probably drop lower than before. You see these things are so enormous and the interest is so widespread it is quite impossible for them to be inactive and to perform their function of supplying the country cheaply and,

that is to say, steadily. They have to be satisfied they can w steadily.

The CHAIRMAN. Have you any idea what part of the world's prod of iron is consumed in the United States?

Mr. WHARTON. Mr. Swank can tell that. I think it is between and a ½; how is that, Mr. Swank?

Mr. SWANK. We produce 28 per cent of iron ore, 27 per cent of c 33 per cent of pig iron, and 34 per cent of steel.

The CHAIRMAN. You say we consume at least one-third of the wor product of steel?

Mr. SWANK. No, we produce it.

The CHAIRMAN. That is a pretty far advanced civilization.

Mr. WHARTON. That is very satisfactory.

Mr. TURNER. In regard to this question of equality between manufacturers and those abroad, I have no doubt that it is a sub you have thought of a great deal in the last thirty or forty years si you have been here studying this matter, and I wish you to state distinctly as you can what you make the basis of the equality betw our manufacturers and those abroad.

Mr. WHARTON. The first point of the basis is the higher rate of wa our people have without which we can not have the work done.

Mr. TURNER. Generally the wages are one element?

Mr. WHARTON. That is a fundamental point, the wages are the cl point.

Mr. TURNER. Is there any other point you would like to have pro tion for?

Mr. WHARTON. Then there is a question, that we have to bring material which we can not get in this country. Until quite lately had to bring in our material generally, ferro manganese and spiegelei The duty upon these things has enabled us to explore our own coun and we have come to constantly increasing independence upon fore material, but they still send us a great deal of those things and to t extent we are at a disadvantage to pay transportation on those thi which enter into the manufacture of steel rails coming from abr Then the interest on capital is large over here. We are not able to out a plant and spend $5,000,000 or $10,000,000 and get that mo upon as cheap terms as people in any of the old countries can get We can not induce it to come out, we can not gather it together, can not get it unless with such inducement in the way of interest t other countries do not have to pay.

Mr. TURNER. Is not the interest rate rapidly approaching to equality between all countries?

Mr. WHARTON. If you had asked that question a year ago I sh say it was approximately, that there was some prospect it would c together, and even then while we were paying in the open market al 4 per cent the London market was about 3.4. We have not reac the point of getting money like they get it abroad, and besides tha have not the same steadiness in our money market, and the dange are under of having all our floating debt demanded is greater than danger on the other side, and we have to meet it by something lil special insurance risk, which——

Mr. TURNER. Then what makes the elements necessary to put yo equal terms to fight with your competitors abroad would be the w in chief, the difference in interest account, and I believe you menti some small items.

Mr. WHARTON. The difference of cost of some materials we are obliged to get abroad.

Mr. TURNER. The difference in cost of some imported material?

Mr. WHARTON. Then I think I ought to add to that this point: That this country is very full of enterprises of all sorts, very full of schemes of all sorts that you have to promise something in the way of profit. It is not merely the cost of interest on the plant, but you can not induce people to go into a particular line of business unless they have a pretty good show of a profit in addition to interest. Now, they are in the habit on the other side of being contented when a business has anything like stability with lower rates of profit than we are, and that, although it might seem to be an argument claiming for manufacturers an undue rate of gain, is really nothing but meeting one unavoidable condition which we have to encounter here, we have to induce capital to go into any particular branch of business. It has to be coaxed and has to be shown that it will do better in this than elsewhere. When there is an excess of capital seeking investment people will take the risk of the enterprise on cheaper terms than they will where capital is always scarce.

Mr. TURNER. In other words, you are in the habit of getting larger dividends here?

Mr. WHARTON. We know we can not get capital to go into an enterprise unless we hold out inducements.

Mr. TURNER. Is that an element which enters into this question we are talking about?

Mr. WHARTON. It is. I am perfectly aware that this line of argument has some danger for our cause, and yet I think in fairness it ought to be stated; and on the other hand I think it is not entirely as potent as it might be, because the foreigners get as big a price as they can; but in point of fact the condition can not be escaped that if any one wants to establish a new line of industry, no matter what it is, he can not get capital to go into that unless he can show a very strong prospect of profit, otherwise that capital will go somewhere else. So, it is not merely we borrow capital, but it is also we borrow capital that is invested that has to have a higher rate of interest or dividends than a corresponding capital borrowed or invested in foreign countries.

Mr. REED. Would it be just to say that the interest or the use of the money element is larger in this country, and also the risk element which you have to meet by a larger profit is greater in this country owing to the extent of it and the various kinds of enterprises; is that your idea?

Mr. WHARTON. Yes, sir; I spoke of that a little while ago when I spoke of the extra fire risk or hazard in this country seeming to be greater than other countries.

Mr. REED. On account of its size and instability——

Mr. WHARTON. It is partly on account of a less degree of stability in all our institutions; I am not speaking of civil, but our commercial institutions. We have not the solidity of other countries, but furthermore we have to encounter this constant apprehension that some new king may arise who knew not Joseph and knock the pins from under us. We do not know at any time what the next Congress is going to do.

Mr. REED. Is it not also a fact we are engaged here in new enterprises which have a certain element of risk? For instance, take the Alabama venture; at one time that was a great risk. It was not certain, with all the information you could get, that these mines would turn out to be good.

Mr. WHARTON. Then the persons who saw that opening, and analyzed

the veins of ore and coal, they even did not have the money to put up great establishments, and as a general thing, no one man has. The persons who saw these advantages had to induce other persons to associate themselves with them. They had to induce capital to come in and help them to put up these establishments, which now may be fairly called magnificent establishments.

Mr. TURNER. On the subject of these risks to which Mr. Reed has referred, I understood you to state just now that this business you represent has been inaugurated a long time. I believe it has been more or less in existence for a hundred years.

Mr. WHARTON. The manufacture of iron?

Mr. TURNER. In pretty full vigor?

Mr. WHARTON. It has not been in full vigor. I happen to own down in the State of New Jersey one of the old establishments that made iron before the Revolutionary war. Well, they made that iron from the bog-iron ores of that region and charcoal which was made from the pine and oak trees.

Mr. TURNER. At any rate, this business is not in the experimental stage here any more than it is abroad?

Mr. WHARTON. Well, it is somewhat so; to the extent that they were at it for some number of centuries before we were. We have, however, come up to the front in a marked degree.

Mr. TURNER. You stated just now what gratified me very much, and that was that you are willing to fight on the principle of equality; I understood you to say that awhile ago.

Mr. WHARTON. I should like for the reporter to turn back and see what I said and then I can tell.

Mr. TURNER. I think it is perfectly fair for you to put it as you wish, and I made that statement just then in order to follow it up by an inquiry I was going to make on this question of equality. I certainly wish to take no advantage of you, because you understand it much better than I do. Speaking of the disadvantages you encounter in the market, some of which you have enumerated here to me, the difference in wages, the difference in capital, and this question of your custom of paying higher profits or dividends on your capital, etc.?

Mr. WHARTON. I do not think I should say it was the custom to do it, but we can not induce these persons whose money we want to let us have the money without doing it.

Mr. TURNER. Is not that presented in the difference in interest rates; does not that cover that?

Mr. WHARTON. I tried to point out that while the two things run in the same general channel they are not identical. Part of the money we hire, we borrow, we have in the form of mortgage bonds and part floating debts, another part we have fixed in the way of capital stock, and a certain part is therefore invested and a certain part borrowed. On each of these branches of capital required in our business we have to encounter high rates. We have to pay more for money we hire and we have to have the inducement in profit higher than other countries because the general rate of money is higher.

Mr. TURNER. Did you note in this computation—I am endeavoring to come to your aid—the element of watered stock; did you refer to that?

Mr WHARTON. No, sir; I made no allusion to anything of the kind.

Mr. TURNER. You did not mean to include that?

Mr. WHARTON. So far as I know, watered stocks do not exist in the iron and steel business. I think I may safely say in the whole iron and steel business through and through that there is no watered stock, but

the stocks are habitually lower than the actual money there. I know for certain that is the case in several large establishments I am interested in.

Mr. TURNER. Take this little itemized account I am trying to make with you on the other side. Do not the American manufacturers have some advantages which the foreign competitors do not have?

Mr. WHARTON. Well, I am not sure I comprehend what you mean.

Mr. TURNER. Is not your labor more efficient than it is on the other side?

Mr. WHARTON. I am not prepared to say that. I have seen people work in a great many foreign establishments and they seem to be perfectly diligent. We try to get some advantage in the matter of having the work done as far as we can by the piece, piecework instead of day wages.

Mr. TURNER. Is not the product of your labor, man for man, labor for labor, greater than on the other side?

Mr. WHARTON. That is a general question to which I am not prepared to say yes or no.

Mr. TURNER. It is generally conceded, is it not?

Mr. WHARTON. No; I do not think it is.

Mr. TURNER. If you are not prepared to admit it as to your business——

Mr. WHARTON. I think, as a matter of patriotism, we are rather inclined to think the Yankee is a good deal quicker and brisker than anybody else. You ask an Englishman that question, and he will say his workmen are superior to any American, and you ask a German or Frenchman, and he will say this, his countrymen are quicker.

Mr. TURNER. I see you take certainly a very intelligent view of this matter and have thought it all out. Can not a laborer who gets more generous pay, lives better, with better facilities for education of his children, under free institutions, cheaper food, cheaper rents, perhaps, but certainly cheaper food, can not he produce more than the pinched laborer we have heard of so much on the other side?

Mr. WHARTON. If the laborer is in that condition which we hear called "pauper," a poor, famished animal, of course the well-fed, prosperous animal will do more, but it is the function of the people who carry on these large establishments to keep their men in perfectly good condition.

Mr. TURNER. Do I understand you to say, from your observation, that it is not a well-founded charge that the laborers are paupers on the other side?

Mr. WHARTON. I know a large part of them are fairly prosperous. I know that the talk about the pauper labor is like extreme statements that are made upon what I might call the free-trade side of the question, but I have never for my part—I do not know that I have ever, in a single instance—used the term "pauper labor."

Mr. TURNER. I am glad to see you take that view of it.

Mr. WHARTON. A pauper is a person who has sunk below the position of being a laborer. He is a man without employment, without a home, and almost without a hope, but I know that large employers of labor in other countries take pains to keep their men in great efficiency. I know in the great establishment of Krupp, in Germany, they have all kinds of institutions connected with that establishment which gives to his workmen advantages not merely ——

Mr. TURNER. Does this labor fare as well on the other side as here?

Mr. WHARTON. I think in Krupp's establishment they do. What

you may call the fancy side of living is less indulged in there than here, but as far as substantial comfort is concerned I should say Krupp's workmen are as well off as any in this country. I happened to know Mr. Krupp personally, and I asked on one occasion in regard to a statement of the different establishments that he has set up in connection with his works for the benefit of his men. Well, it was an astounding list. I began in his shops, and there are all kinds of supplies, food of all kinds, mutual benefit associations that take care of him when he is disabled, which bury him when he is dead, and give attention to his family, libraries, instruction of all sorts, and the whole thing on a scale of what can not be called anything less than magnificent. I know also on one occasion, when there was threatened a strike—this malady of trying to injure your employer by striking—which threatened the Krupp establishment and Krupp announced to his people that any man who joined, who belonged to these associations, would forfeit all the advantages he possessed as a workman of his establishment in all these different associations, naming them, and the quarrel or insurrection ended.

Mr. TURNER. Then you would say the American laborer has no superior advantage over the laborers on the other side as a general rule?

Mr. WHARTON. No; I said on the contrary our people here, I think I said sometime ago our people here had these advantages: They did live in a better style. They are not content without that, and that on the whole our people are better housed and fed and cared more for than those of other countries, but now when you come to specific instances we find that the people with whom we have to compete—I am speaking of iron and steel now—we find in numerous instances our most effective competitors have taken pains that their men shall be well cared for, housed and well clothed to an extent none of our people in this country have yet been able to reach.

Mr. TURNER. Then you would not admit that they have any advantage here in the productiveness of labor growing out of the conditions I have mentioned. Let us advance a step further. Do not you as an employer, or your associates in this business, find your labor better than it is on the other side from the fact the American laborer has so many larger possibilities before him than the laborer in the foreign mills? Does not he have more ambition, is not he more anxious to rise in the world on account of his better opportunities?

Mr. WHARTON. My personal belief is, our people do have this ambition.

Mr. TURNER. I mean in a higher degree than on the other side?

Mr. WHARTON. I know in the establishment in Bethlehem in which I am intesrested our people do have just that spirit you speak of. They hope to improve, and in a number of cases they have been promoted, and I think most of them work up every chance they have. We can not say we have exclusive possession of these advantages, because in every other country you will find the same thing has happened. Krupp, the original founder of the establishment, began as a blacksmith and his sons carry on the firm, the establishment which has grown to this magnitude. It is not the college-bred man, it is not the man whose father was rich, it is not even those who had the advantages of a scientific education who habitually come to the front. It is the tough, hard-working, honest, solid men, whether they are educated or whether they are born rich or college-bred or the reverse, that come to the front. It is the personal quality of the man and not inherited advantage.

Mr. TURNER. Now, resuming this discussion between us as to the

elements of this equality or inequality which exists between the two countries in fundamental conditions. From your experience in the business how large a percentage would represent the difference between the labor cost, the interest cost, and the other items you mention, on this side and on the other?

Mr. WHARTON. I would not consider that I was doing justice to my colleagues if I attempted in an off-hand way to answer so far-reaching a question. If you desire to have that information I think it is our duty to prepare a statement to that effect, but I can not give it to you at this time.

Mr. TURNER. I thank you, sir, for your candor. Now, do you want anything more than equality. I understood you to intimate to the chairman a moment ago a sort of retreat from that position, probably not intending it, but when you are contending with these soldiers of industry abroad I understood in the first part of your remarks you wanted to be on an equal footing, and afterwards I understood you to imply you wanted a little better position than the foreigner?

Mr. WHARTON. It was because I was not clear as to what I said that I asked you to have the reporter turn back and read it.

Mr. TURNER. It is perfectly fair for you to make your statement as you want it, either now or by revision. What I want now is, to know which position do you mean to take. Do you want to be on an equality with your competitors on the other side or do you want a decided advantage over them?

Mr. WHARTON. As to what I meant to say, and what I should have said was, if this point of disadvantage was removed, that we were able then to work as cheaply, and produce things as cheaply as people in other countries, but now I want to say this: Supposing an army of industrial soldiers on the one hand is made exactly equal to an army of industrial soldiers of another country, of a hostile country. Here are those two armies face to face, and suppose you or anyone of the gentlemen here were the general of our army and the other army had a different general, I want to ask you whether it is not our right, if it is not your duty, to see that your army has every possible advantage that your strategy and your skill can give them. Have not we the right to demand that you will keep us in this position or put us in a strategic spot that will give us an advantage over our common antagonist?

Mr. TURNER. But this is not exactly a question of war?

Mr. WHARTON. I think it is, sir. I think it is exactly.

Mr. TURNER. It is of interest, not only to these particular soldiers that you mention, but also of a great public at large. The question of price is one which concerns them as well as your industrial soldiers you are talking about?

Mr. WHARTON. These industrial soldiers are in our case our industrial army which is defending our country from an invasion.

Mr. TURNER. Yes; but we have industrial soldiers who want to invade other countries for instance.

Mr. WHARTON. If they are defeated at home and their own country is taken from them they will not be a large number.

Mr. TURNER. The wheat and cotton producers and the farmers generally to whom the chairman alluded just now, and these men who make edged tools and mowers and reapers, and agricultural implements, are not they standing on that wall you are talking about, and do not they want to charge into other countries and "carry the war into Africa," to use a phrase in military parlance, I believe.

Mr. WHARTON. We need our own makers of things which go into

the production of wheat and cotton, and cattle, and whatever it may be, and we are able to give them those things more cheaply if we are protected than we could otherwise.

Mr. TURNER. I want to say that a remark you made awhile ago about fighting this battle had a sort of inspiring effect upon me when you said all you wanted was equal terms, but now——

Mr. WHARTON. Let me go back once more, I have tried to correct that several times. I am under the impression I did not say that all we wanted was that, all we needed was that, but that these conditions being equal we were able to fight on equal terms. Then when you ask if we want something more I say this, if you command our army we expect you to do your duty and give us the advantage that your skill as a legislator can give us.

Mr. TURNER. How much advantage do you want?

Mr. WHARTON. If you had been at the battle of Gettysburg in Hancock's army——

Mr. TURNER. I was there; but, unfortunately, on the other side.

Mr. WHARTON. I did not know that.

Mr. TURNER. I found there was a considerable advantage on one side there.

Mr. WHARTON. I am glad you mentioned this, because it brings up a question I alluded to a little while ago, and that is in regard to the hostility which used to exist between the different sections of the country on this question, between the North and South, and between the Atlantic seaboard and the West. Those two lines of demarkation have been greatly obliterated, and we think they ought to be entirely obliterated, and we feel therefore we have a strong adherence in what I may call the national cause, instead of a protective cause, in the South and West, as in the East. In the East there is a sort of weariness which has come upon us. We have been contending with this trying to develop the country so long we are rather tired out, and we have almost come to think if the country can get along without us we will let them try it, go and do something else, and give it up. That is a sneaking round way of looking at the question, for I do not think, in fact, we can give it up. There is a great population around us, and we can not shake them off. You may say there are thousands and tens of thousands of our industrial soldiers now idle and in danger of starving. We can not say, in an indifferent manner, if these people are to have free trade let us have it. We can not do that. We have got to do what we can to help these men; to help them to employment and to give them a fair chance for decent living, and we think we have a right to ask your kindly consideration.

Mr. TURNER. Well, sir, speaking for myself alone, I do not think there is any purpose on my part to destroy your industry; but I interrupted a question which the gentleman from Tennessee desires to ask you.

Mr. MCMILLIN. If I understood you correctly you said that you did not desire the rates to be exclusive in their nature, that would exclude importations?

Mr. WHARTON. Yes, I think I said that we never had hoped to have importations excluded.

Mr. MCMILLIN. I think you said you did not think it would be well to have them excluded?

Mr. WHARTON. I think probably I did. I think in other words it is quite possible to have duties set at so high a point as to make people what I call slouchy and negligent. That is theoretical and not

altogether sound, because when we come to see what experience teaches us we find on the contrary when the rate is so high as to induce rather too many persons to go into a trade we have then two kinds of fights among us, internal competition, domestic competition in different businesses.

Mr. McMILLIN. The rate on steel rails in England lately is prohibitive?

Mr. WHARTON. Yes, sir.

Mr. McMILLIN. Then the rate on steel rails you admit to be too high?

Mr. WHARTON. That is another question. I do not admit it to be too high. May I introduce another analogy? I should say, if the people of Holland find it necessary for their land to have dikes around them to keep the sea out, I do not think it would be a wise Hollander to say he has lived in that country for five years and never saw the tide rise above the level and therefore he will only put the dike an inch above that level. There are times when a huge wave can sweep over it, and in commercial affairs it is like in the ocean, where you may have enough protection just sufficient for ordinary times, but extraordinary times it is utterly insufficient and it is drowned out. Now, I admit in the case of steel rails that this duty is so high as to be at present prohibitive.

Mr. McMILLIN. I was going on your premises; you stated that it was neither desired nor did you think expedient that rates should be prohibitive. Then I said the rates on rails are prohibitive, therefore the rate on steel rails is too high. I was going on your premises; I was not making the premises.

Mr. WHARTON. Would it not be a fair way to ask the consumer of steel rails what they think about the rate of duty? The great buyers of steel rails, the only buyers of course, are the railroad companies, except small private operators; the railroad companies are the buyers of steel rails, and the question was brought up in a very favorable way some years ago in regard to the extortion steel-rail makers practiced in regard to railroads, etc., and the question was put before the presidents of the great railroads of the country and they I think unanimously, I do not remember one to the contrary, all said that they desired the rate to remain as it was, a much higher rate than the present one, as they were satisfied thereby they could get their rails cheaper than they would if the industry of making steel rails here was discouraged.

Mr. McMILLIN. I want to get you to state if it is not a fact that a number of the large consumers of steel rails in the country were stockholders in your association.

Mr. WHARTON. I know of only one instance where they were used in a large degree——

Mr. McMILLIN. It was so in a larger or smaller degree in a number of individuals?

Mr. WHARTON. I presume so.

Mr. McMILLIN. Now, in regard to the one of large degree, of course they were willing for their roads to continue?

Mr. WHARTON. The Pennsylvania Railroad was a large stockholder in the Pennsylvania Steel Company, but that company is perhaps the closest buyer in America. The Pennsylvania Railroad is the closest buyer perhaps in America and did not allow its interest as a stockholder in this steel company to influence its conduct.

Mr. McMILLIN. As a matter of fact, when they were saying they

were willing for the rates to continue the same they were stockholders in that concern which profited by the rates continuing?

Mr. WHARTON. Yes.

Mr. MCMILLIN. We are large exporters of agricultural implements, plows, reapers, mowers, I believe large exporters of sewing machines, pianos, and other forms of iron, screws, etc., are we not?

Mr. WHARTON. I think so, I think of all those you have enumerated.

Mr. MCMILLIN. Now, is not it a fact we are large exporters mainly of those things where a large amount of work is expended on the original material rather than on those which are in the cruder state?

Mr. WHARTON. Yes, undoubtedly. I must clear up that point a little further by saying those articles are only where the ingenuity of our people have displayed themselves and the article produced is a better article. It is not merely the question of price but it is they are the better thing.

Mr. MCMILLIN. It is where a large amount of labor has gone into the manufacture of the things which we principally export?

Mr. WHARTON. Yes, sir; skill also. Take for instance the Baldwin Locomotive Works. They export locomotives to a great many parts of the world in competition.

Mr. MCMILLIN. Now, on a subject you touched on in the beginning. Very briefly I will ask you as to our exportation of wheat. We are large exporters of wheat, cotton, tobacco, and other farm products, corn and things of that kind?

Mr. WHARTON. I am not sufficiently up on statistics to answer that question.

Mr. MCMILLIN. We have statistics to show, and is it not a fact that the rise of the price of 1 cent a pound or 1 cent a bushel on these things in Liverpool raises it here; do not the markets fall and rise together?

Mr. WHARTON. That is approximately true, yes. But in a local way, when we go into details, you find in a great many instances the farmer gets more money selling in this country than by selling to a foreign customer. I do not know, gentlemen, how you feel, but I feel I am absorbing time that belongs to my colleagues.

The CHAIRMAN. You have been very interesting; it is our fault and not yours.

Mr. REED. I want to ask you this question. Some figures are presented here showing what things cost in Great Britain and what they cost here, and what they cost in Belgium and what they cost here. Now in regard to the elements which go to make up a ton of steel rails, can these figures from the nature of things be invariable—do not they vary at different times?

Mr. WHARTON. They are affected constantly, of course.

Mr. REED. Consequently anything which exactly fitted a certain state of figures may not exactly fit when they come to be put in operation?

Mr. WHARTON. Yes, sir; all we can hope is to approximate in a case like that. Often we have tried to fit the figures to a particular moment of time and we can not be sure is absolutely accurate, and we can only approximate it when we come to apply the figures to that time.

Mr. REED. There is a question of relative prosperity at a given time and you make a wide difference as to what is necessary for a protective tariff?

Mr. WHARTON. Yes, sir.

Mr. DALZELL. Does not the cost of labor of the various items which go to make up steel rails differ at various places?

Mr. WHARTON. Of course they do.

Mr. DALZELL. The cost of mining the ore at one place differs from

the cost of mining at another place, so that very likely there are no two establishments in the country where the cost of making a ton of steel rails is exactly the same?

Mr. WHARTON. There are no two places where the same figures rule, and in the concern I am particularly interested in I do not remember any time when the rate of the cost to produce steel rails was so low as stated by the Commissioner of Labor. If they went to one particular concern but one particular concern produced steel rails as low as that. I do not deny his veracity.

Mr. DALZELL. Taking into consideration the difference in cost in all these various items and then of the final cost at these various mills, in the nature of the case could you make anything like an approximation of the average cost for the whole of America or the whole of England?

Mr. WHARTON. You could not be accurate, of course.

Mr. BRECKINRIDGE. This law of variation of which Mr. Reed spoke, is it not liable to operate the same way in two countries?

Mr. WHARTON. Yes. The fluctuations are perhaps more in a newer country where enterprises are so numerous and affect them more than in an older and more settled country. I do not in fact believe that Krupp's wages fluctuate to the extent that Carnegie's do.

Mr. BRECKINRIDGE. If we get the cost of production in two countries and let it average over a considerable period of an ordinary normal condition, the elements of variation which enter into it are likely to equalize themselves in the course of time, are they not?

Mr. WHARTON. Yes; I should say any person who undertakes to make the comparative statement in two countries could get something by making inquiry of several manufacturers, something nearly enough approximate for the purpose like this.

Mr. BRECKINRIDGE. You spoke about equalizing the difference in the cost of the production of Europe and here. Have any of your associates ever compiled any data as to the difference in the cost of production of the different industries in Europe and here—not merely the daily wages, but the cost of production?

Mr. WHARTON. I should like to refer that question to Mr. Swank, who has more to do with statistics than I have.

Mr. BRECKINRIDGE. We will take it up when Mr. Swank comes before us. You have no information of that character yourself?

Mr. WHARTON. I did not come prepared to give an opinion of that sort. Our object was to come here to-day and try to convince you if we could it was inopportune when we were in distress to knock every pin from under us.

Mr. BRECKINRIDGE. Has any such carefully prepared data been in existence at any time as far as you know? I am asking now of your knowledge.

Mr. WHARTON. I should say no; I do not remember any statement that meets just what you ask for, but I am not prepared to say that something of that kind had not existed.

Now, I am perfectly conscious my colleagues here are feeling I am intruding. I do not want to avoid any questions, but I do not think it quite fair to them that I should occupy so much time. I know several of them—I know every one of them is better able to speak on some particular aspect of the case than I am, and I think you will get your information more satisfactory if you allow other gentlemen to speak than you will by continuing to put questions to me.

The CHAIRMAN. You are very interesting, but we will not keep you on your feet too long. Mr. Ely is the next gentleman on the list, and *we will* hear him.

PHILADELPHIA, *September 12, 1893.*

Hon. WM. L. WILSON:

DEAR SIR: You were right in holding yesterday that my estimate of our wheat exports was too low when I reckoned it as one-tenth of our crop.

The inclosed statement shows that for the years 1873 to 1892, inclusive, the exports of wheat, including flour, amounted to 29.2 per cent of the wheat crop, while for the year 1892 they came to 39.5 per cent of the crop.

Of corn, however, we exported in the same nineteen years but 3.74 per cent and in the year 1892 but 1.85 per cent of our crop.

Yours, truly,

JOSEPH WHARTON.

Annual crops wheat and corn in the United States and exports (including flour) from United States.

STATEMENT OF MR. GEORGE H. ELY, OF CLEVELAND, OHIO.

MR. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I did not ask your courtesy for the few words I have to say this morning respecting duties on iron ore, because I brought here a document which I will take the liberty, with your permision, to file which takes up that question. The document has been deliberately and carefully prepared by myself, embracing many statistics and an argument on this subject, but I simply wish now to say one word in regard to the inexpediency—if you will allow an individual and a layman—and the unfortunate time in respect to the present existing conditions of the country for a tariff revision. I live in Cleveland, Ohio, up on the lakes. Up on the lakes we have had the sorest experience that I have ever witnessed in my forty years' business life in the last four months. It is an experience which has brought distress and trouble to every man in business, into every bank, and every public institution, into all our great transportation lines, but I do not suppose, gentlemen—I have not that confidence in my powers of persuasion—that anything I may say would induce you

to postpone the purpose of creating now a new tariff schedule, but I do say that these considerations ought not to be overlooked.

I am president of the Western Iron Ore Association, which represents the production of the four great Lake Superior districts—the Marquette, the Menominee, the Gogebic, and the Vermillion. The Lake Superior ore product last year was 9,074,000 tons, and it was almost three-fifths of the iron ore mined in the United States last year, which came down over those lakes into lakes Michigan and Erie and went into the pig-iron production. The difference between the iron-ore trade of last year and this year's production will probably be about 4,000,000 tons. We are now within about two months of the close of all navigation, and it is supposed that the total production of 1893 will be about 5,000,000 tons as against that 9,000,000 tons of last year. Now there is no market for iron ore. The iron-ore dealer in Cleveland has not had such a thing as an offer for iron ore, that is, unless he throws it away. The business is perfectly paralyzed. What does paralysis mean in that case? It means paralysis at about one hundred producing iron-ore mines in those four districts, I suppose. I have not the statistics on that point, but I asked two of our iron-ore dealers day before yesterday what proportion of the producing mines of 1892 and early in 1893 were now at work and they thought not over 25 per cent, and of that 25 per cent the scale of production was very much reduced. They are now shipping and bringing down the lakes the stock piles. Mining has practically ceased up there. As you are aware, the Lake Superior product is not like the product in other sections of our country, but that has all to be moved in seven months of the year. To get up that annual production the mines must go on all the year around. The largest mines have stock piles from 50,000 to 350,000 and 500,000 tons at the point of navigation we will say last year and this year.

Now, a large amount of money has gone into those stock piles, and the miners must turn it into cash if they can, and they are moving down the stock piles in the hope that between now and next spring, when another crop will be on hand, they can get rid of this ore. Now, there are six, I believe, six railroads that move these mining products from the mines to the docks. There are four shipping ports on Lake Superior and a couple on Lake Michigan; there are harbors at Duluth, at Ashland, at Marquette, at Escanaba, and at Gladstone. Now, these roads originally built through the wilderness there had no other object in their business except the moving of the products of these mines. Of course, this condition of things in the mines and this prostrate condition of the iron ore product fall with a heavy weight on all these railroads. Then there is an army of men at each of these shipping ports who handle this ore. Then there is the enormous vessel tonnage on the lakes, which in ordinary years is employed almost exclusively in moving the iron ore and taking up coal. When that business can not go on they go into grain. Now, there is another great system of docks on Lake Erie and Lake Michigan, several large docks at the foot of Lake Michigan, and from Toledo to Buffalo, at all leading lake ports, there is an enormous expenditure and investment in docks, and thousands of men are employed on the docks. Then there are twelve railroads leading from Lake Erie across the State of Ohio and into western Pennsylvania and into the State of New York to move this ore after it gets to the docks. I put that capital of these interdependent industries into figures which I am going to read, which will take but a minute to show what capital there is there. In the main four Lake Superior districts in 1889, according to the United States census,

there were $54,825,000 invested. There has been by careful computation an increase in the last four years of $16,500,000, making all the investment now in Lake Superior ore mines $71,325,000. The cost of docks on Lake Michigan and on Lake Superior from which this ore is moved has been $10,885,000. This is not the census return, but I procured it myself a little over a year ago by personal correspondence with managers of railroads and the dock owners who own this property. The capital employed in railroad transportation of these ores to the waters of Lake Superior and Lake Michigan is $27,000,000. There are six or seven railroads. The floating capital on the lakes employed exclusively in moving Lake Superior ores down the lakes is $32,000,000. Now, that does not mean capital that is employed now and then to take the ore, but it means capital employed from the beginning to the end of the season. The docks on Lake Erie between Toledo and Buffalo cost $12,000,000, and the capital in the railroads that cross the State of Ohio and lead into western Pennsylvania and from Buffalo into New York is $26,000,000, and that grand aggregate is $182,000,000. Now, gentlemen, that capital and all the labor that is involved in the use of that capital along all the line from the mine to the furnace stack, where the ore is consumed, the furnace stack in western Pennsylvania, West Virginia, and in southern Ohio and along the lakes, that capital is substantially all idle. That is not paying the expense of keeping it up. Thousands of laborers have been discharged; they had to be. The great Minnesota mines up in the Lake Superior districts discharged 2,000 men in the course of four weeks, about five weeks ago, and so it has been all along the line. I can not exaggerate to you, gentlemen, the magnitude of this great disaster upon all these interdependent industries, and we think that the cause is not exclusively this silver legislation. I fully admit that the existing conditions in respect to silver constitute an element of great difficulty in all business transactions in this country. We are pausing to see what the Senate is going to do, and we believe in the repeal of the purchasing clause of the Sherman act. We do not expect, however, if Congress goes forward to revise this tariff, which may take some months, to see normal business conditions resumed for the next year. Now, gentlemen, I can not exaggerate this, and will not waste another minute of your time, but I simply appeal to you to consider this subject; is it wise, is it necessary, is not the existing tariff working well enough for us? What is the difficulty about this? Let us have another year or two and then if the American people think there ought to be changes in the plan of tariff or changes in duty take it up. Now, gentlemen, if you will allow me to file this document, and give it your consideration at your convenience hereafter, respecting iron ore, I will be very much obliged.

Mr. BURROWS. Would you like to have that printed with your testimony?

Mr. ELY. Yes, sir; I would be pleased.

Mr. GEAR. You did not state the amount of labor engaged in work in the mines?

Mr. ELY. That paper contains accurately all details about the labor employed, and it contains a comparison of wages paid in the Lake Superior mines compared with the Bilboa mines in Spain and the mines in England. It contains some suggestions respecting the application of this doctrine of free raw material, iron ore, in a country where the mountains are full of iron ore as against its application to the other side where they have to import domestic supplies of raw materials.

The CHAIRMAN. How many hands, men and boys, have you employed in your mines?

Mr. ELY. I am not a miner or manufacturer, but this statement shows, or rather the census report shows, that 28,000 men were actually employed in the mines.

The CHAIRMAN. Which you represent?

Mr. ELY. No, sir; in the iron ore districts of the country.

The CHAIRMAN. Do these men have steady employment all the year around; in ordinary times, not in the time of a depression; but have they steady employment the year around.

Mr. ELY. Yes, sir; they have, as I understand it.

The CHAIRMAN. Do you know what are the wages of these men as a rule?

Mr. ELY. It is in here (referring to paper). I will refer to it if you wish. I was not going into the subject of wages, but I will do so if you desire it.

The CHAIRMAN. What I would like to know, I have asked about the extent of the miners, and then their daily wages, and now what is about the yearly product of the miner, working say 300 working days in the year?

Mr. ELY. The amount is put by the census report at $409.95, and that is $101 more than ten years ago.

The CHAIRMAN. How many tons of ore would that average?

Mr. ELY. I do not know that this paper will show; I do not know that I can tell you, as the conditions vary so much.

The CHAIRMAN. Have you stated in that paper what is the cost of a ton of ore on the average at the mouth of the mines?

Mr. ELY. I think it is all here.

The CHAIRMAN. Can you also tell us what is the cost of a ton of ore in the countries across the ocean at the mouth of the mines?

Mr. ELY. Yes, sir; I have given all those things. It is quite a matter of detail of figures and I did not refer to it.

The CHAIRMAN. Is it not true that the ore at the mouth of the mines is cheaper in this country than it is abroad?

Mr. ELY. That is not according to my reading of these figures.

The CHAIRMAN. Are your miners native Americans or foreigners?

Mr. ELY. They are of all nationalities, a large number of Scandinavians, Irish, Germans, and native Americans, all mixed together.

The CHAIRMAN. Hungarians?

Mr. ELY. I suppose so, sir.

The CHAIRMAN. Is it not true as a rule that these foreigners who are willing to work for less wages than American miners have crowded out the American miner generally from the iron ore mines?

Mr. ELY. Well, without knowing the proportion of American labor engaged in these mines, I could not answer that question, because I do not know.

The CHAIRMAN. Your ores are shipped at the ports on the lakes you have mentioned, Duluth, Escanaba, Ashland, Marquette, and Gladstone. Where are the blast furnaces to which you sell them?

Mr. ELY. All over the central States.

The CHAIRMAN. Chiefly in Pennsylvania?

Mr. ELY. Chiefly in western Pennsylvania and a portion of West Virginia and Ohio.

The CHAIRMAN. Did you state——

Mr. ELY. Some large amount, I think, of the 9,000,000 product of

1892, about 2,000,000 tons, went to Chicago, Milwaukee, and on Lake Michigan.

The CHAIRMAN. You have extremely cheap transportation on the lakes now?

Mr. ELY. Yes, sir.

The CHAIRMAN. And it is steadily becoming cheaper and cheaper?

Mr. ELY. It will be cheap after 1896 when we get that deep water, the 24-foot channel that Congress has pledged to give us.

The CHAIRMAN. You mean the Sault Ste. Marie?

Mr. ELY. Yes, sir; that lock will be finished in 1896, and these other obstructions will be removed along the coast. I know of a cargo of coal, before the prostration of this industry was so great, that went two weeks ago from Ashtabula up to Duluth for 20 cents a ton.

Mr. GEAR. What is the average rate?

Mr. ELY. Oh, 50 cents, 60 cents, and 70 cents.

The CHAIRMAN. As a rule these ships which come from the East take coal?

Mr. ELY. They do if they can get it. The northwestern railroads in the Northwest are somewhat dependent upon the bituminous coal of western Pennsylvania and Ohio for their motive power, and for coal for domestic uses up there there is considerable business.

The CHAIRMAN. Let us take a ship coming from Ashtabula to Duluth, ordinarily it would take a cargo of coal?

Mr. ELY. I would say if you ask it, except last year.

The CHAIRMAN. I say ordinarily; I do not mean in times of depression.

Mr. ELY. She is all ready and wants to take it, but the amount of coal coming up is so inconsiderable and insignificant, as compared with the general freight, they can not always get coal.

The CHAIRMAN. Is there not an immense distribution of coal from Duluth and West Superior to regions west?

Mr. ELY. Yes, sir; but the aggregate of coal coming into the region of Lake Superior—well, perhaps last year, if I recollect—was about 2,000,000 tons, but of course that is a small quantity compared with the general trade.

The CHAIRMAN. Then you would take coal to Duluth and West Superior ports, and in all probability you would take a cargo of ore coming back at Ashland?

Mr. ELY. Duluth and Ashland.

The CHAIRMAN. Or possibly a cargo of wheat at Duluth?

Mr. ELY. Yes, sir.

The CHAIRMAN. For one of the Eastern points?

Mr. ELY. The grain trade of Duluth for the last three or four years has been larger—I mean wheat, I will not include corn—the wheat trade of Duluth has been a little larger than Chicago for the last three or four years, owing to the concentration of railroads at Duluth and the low cost of transportation.

The CHAIRMAN. The larger boats are crowding the little boats out of that traffic?

Mr. ELY. Largely.

The CHAIRMAM. The iron and steel boats are crowding out the wooden ships?

Mr. ELY. There are very few wooden ships built now.

The CHAIRMAN. Are they building barges at the West Superior shipyards—steel barges?

Mr. ELY. I think it is practically suspended now, but there is an ex-

tensive shipyard there. In ordinary times they are building, but not now.

The CHAIRMAN. Now suppose iron ore was put upon the free list; suppose the present duty of 75 cents a ton was removed upon iron ore, where would the most competition come from?

Mr. ELY. We send some of these iron ores from Lake Superior; four years ago there were 700,000 tons sent to Buffalo and taken over the Lehigh Valley Railroad into eastern Pennsylvania. It would cut that trade out.

The CHAIRMAN. Where would ore come from; from what countries?

Mr. ELY. Foreign ore?

The CHAIRMAN. Yes, sir.

Mr. ELY. From northern Africa and Spain, from small Mediterranean ports, and the balance from Cuba.

The CHAIRMAN. The mines of Cuba are a new source of supply?

Mr. ELY. They began to move iron ore from Cuba about seven years ago.

The CHAIRMAN. And that is owned by Pennsylvania capitalists?

Mr. ELY. Largely, I believe.

The CHAIRMAN. You spoke of the bountiful supply in this country; are there any signs of the exhaustion of the Spanish ores?

Mr. ELY. I think there are.

The CHAIRMAN. How about the African ore?

Mr. ELY. I am not informed about that. The importations from northern Africa have always been rather small compared with Bilboa.

The CHAIRMAN. You spoke a moment ago of the argument for free raw material not being applicable to our country because we had a very abundant supply, whereas these other countries were depending upon outside sources for supplies.

Mr. ELY. Yes, sir.

The CHAIRMAN. Then do you think we need any tariff to protect ourselves against those countries?

Mr. ELY. It depends upon the development of the iron ores in Europe and Cuba. I think we have a better supply of American ore than in European countries; they use some poor ores, a good many poor ores, in Europe. I was at the Creusot works in the central part of France just a year ago now, and I saw in the furnace yards carbonate ores that our people would not look at, but which they import and use with them the Bilboa ore, and in Germany it is very much the same way.

Mr. PAYNE. The chairman asked you whether the foreigners had not driven out native Americans in the mines; whether that is true or not, the wages of the miners have increased largely from 1880 to 1890?

Mr. ELY. Well, the census reports gives an increase of 20 per cent; an increase of $101 over the census report of 1880.

Mr. PAYNE. I suppose it is true also that these foreigners after having been here five years or less generally become citizens?

Mr. ELY. Yes, sir; the Scandinavian element, of which there is a large proportion, are the best class of citizens; industrious, and just the kind of element that is valuable to us.

The CHAIRMAN. The miner is paid according to the product of his work, is he not?

Mr. ELY. It varies, sir; there are three classes, mechanics, miners, and laborers. The laborers do a large amount of moving the material. The miner is actually employed in separating the ore from the rock and getting it ready. The mechanic attends to the machinery. Nearly all of them are on hard-ore mines where they work under ground, where

they have an immense timber system to support the roofs, and there is a large demand for mechanics on that account.

The CHAIRMAN. The point I wanted to get at was that, if there has been any increase in the wages of the miner, it is because of the improvements since 1880 he can produce a much larger amount of ore daily; I mean in regard to explosives and things of that kind.

Mr. ELY. I omitted to finish what I was saying, sir. A gang of men, we will say, is 7 or 8 men. This method is pursued in some mines: a gang of men will be set to work, here one, and there one, and there one, and they are paid by the ton, but it is impossible to use that contract mode of mining with the laborers and mechanics and other classes of people. That is what I want to say.

Mr. CHAIRMAN: The present duty of 75 cents per ton on iron ore was established by the act of March 3, 1883. Before this foreign ores came in under an ad valorem duty of 20 per cent, and in small amount. Under a supposed necessity for Bessemer steel uses these importations increased during the early development of our steel industries, averaging about 500,000 tons annually during the five years preceding 1883. During the last ten years, however, the annual average has been about 800,000 tons. In two of those years the quantities were 1,039,433 and 1,194,301 tons.

These ores have come mainly from Spain, Africa, and Cuba. The demand for the richer and lower phosphorus ores, however, soon uncovered the abundant deposits of them in our own country. American iron ore was found to be adequate for all American necessities. We now know that our ore deposits are not only practically unlimited in extent, but they are in such variety of chemical constitution, and so favorably distributed, as to meet the wants of all departments of our iron and steel manufacture.

This supposed necessity long ago disappeared. The question now is only one of convenience and of comparative cost, including the duty, between domestic and foreign ores.

The expansion of our American iron and steel industries during the last ten years has been the marvel of the world. We are now the largest producers of pig iron and steel, our production of pig iron being 33.9 per cent and of steel 34.7 per cent of the world's total. But American iron ore, the substructure upon which has been reared the vast fabric of our iron and steel industries, is fully abreast of these conditions. Upon this fact rests our leadership in pig iron and steel. Our pig-iron production last year was 9,157,000 tons, and that is double the quantity of ten years ago, when the present duty on ore was established. Iron-ore production, however, has increased far more rapidly. In 1870 the output was 3,031,891 tons; in 1880, 7,120,362; in 1890, 16,036,043 tons.

The value at the mine of the production of 1892, 16,296,666 tons, as nearly as can be estimated, was $33,204,896. In ore production we have also surpassed each of the world's other large producers, Spain, Germany, and Great Britain.

Of our domestic production last year about three-fifths, 9,074,000 tons, came from the four Lake Superior districts, Marquette, Menominee, Gogebic, and Vermilion. It was distributed over all the Central States from the Atlantic seaboard to the Mississippi.

These results, gentlemen, have been achieved under the operation of

the present duty, and the duty has powerfully contributed to the result.

The duty has been defensive against the lowest wage level of western Europe, from which the bulk of foreign ores come here. It has encouraged the investment of vast capital in the mining and in the distribution of ore by rail and water to our mills and furnaces, and it has permitted the payment of American wages to the laborer along the whole line of interdependent industries, on dock, ship, and rail, from the mine opening in the wilderness to the charge at the furnace stack, 500 or 1,000 miles distant. These wages are represented by the comfortable homes at every group of mines, and schools and churches and other accessories of our American social conditions reveal the difference in the wages paid in American and in foreign ore production.

Again, the present scale of production represents strenuous and persistent effort, over long periods of time, with all the risks involved in investments and occupations so precarious as mining.

Capital invested in mining, it must also be remembered, is planted on that spot forever. In a single week the ore may become so mixed with rock as to be worthless, or it may be worked out, and the pick of the miner strike a solid wall of rock. But beyond mine development comes the enormous cost of docks, railroads, and vessels built solely for ore transportation. This capital, too, like that in mine machinery and timbering, takes the risk of waste and final destruction, when either the mine has become exhausted, or when its market, as in case of being displaced by foreign ores, is destroyed.

The extent of the transportation accessories of iron-ore mining by land and by water will be appreciated if we bear in mind that the average distance that ore, coal, and limestone are carried to mills and furnaces in the United States is about 400 miles, against about 40 miles in Great Britain.

The total production of Lake Superior ores since 1855 (1892 inclusive) has been 73,248,796 gross tons.

The magnitude of the investments in Lake Superior ore mining and in its distribution will appear from the following:

Capital in the mines in the four Lake Superior districts in 1889, as per United States census	$54,825,122	
Increase to July 1, 1893	16,500,000	
		$71,325,122
Capital in docks and their equipments at Lake Superior and Lake Michigan ports, built and used exclusively for shipping ore (official)	9,885,665	
Add docks to July 1, 1893	1,000,000	
		10,885,665
Capital employed exclusively in railroad transportation of ore from mines to shipping ports on Lake Superior and Lake Michigan (official)	27,014,594	
Add for two railroads	5,000,000	
		32,014,594
Floating capital on the lakes, employed exclusively in ore transportation, from upper lake to lower lake ports (estimated)	29,933,107	
Capital in docks, and in their equipments, for receiving and forwarding ore exclusively at Lake Erie ports, between Toledo and Buffalo, inclusive of both (official)	12,392,880	
Capital employed exclusively in railroad transportation of ore inland to mills and furnaces from Lake Erie ports (official)	26,343,617	
		68,669,604
Grand total		182,894,985

But there are similar concentrations and combinations of labor and capital in this business in other sections of the country.

These ore deposits face the Atlantic seaboard, along the entire Allegheny range, from northern New York, through New Jersey, Pennsylvania, West Virginia, Maryland, Virginia, North Carolina, Georgia, Alabama, and Tennessee to Missouri and Texas, beyond the Mississippi. Along the range of mineral resources, however, iron-ore development is everywhere the absolutely essential condition of advance in iron and steel manufacture.

Virginia, old and new, has sat for a century beside the deep waters of the ocean with mineral resources almost untouched. Is this a fair time to hinder the unlocking of her treasures by removing the duty on ore and coal?

Let us now compare the wages paid in the production of foreign and domestic ores and the labor cost per ton.

The latest published comparisons on this subject are given in a paper presented before the Mechanical Science Section of the British Association by Mr. Jeremiah Head, a high authority in the iron trade on both sides of the ocean.

A comparison as to the hours of labor, wages per day in ore production at Bilbao, Spain; Cleveland, England; and on Lake Superior is given in the following table:

District.	Hours of labor.	Wages per day.		Boys or women.
		Drillers or miners.	Common laborers.	
Bilbao, Spain	72	$0.604 to $0.726	$0.362 to $0.604	$0.242 to $0.362
Cleveland, England	46	1.21	.726 to .846	.242 to .604
Lake Superior, United States	55 to 60	2.25 to 2.75	1.60 to 2.00	*1.00 to 1.25

* Boys.

The wages, then, by this authority, of miners on Lake Superior are more than 3¾ times those at Bilbao, and more than double those in the English, Cleveland, district.

By the same authority it is shown that the labor cost per ton of ore at Bilbao is 10 cents. In the English, Cleveland, district it is 23 cents. But the labor cost per ton of metallic iron is 3½ times as much in the Cleveland district as at Bilbao.

The average labor cost per ton of ore on Lake Superior at one mine has been 89¼ cents, at another $1.33. The manager of one of the largest producing mines in the Menominee district, Lake Superior, reports to me the average labor cost per ton during the past eight years to be $1.29. The average total cost per ton, excluding royalty, taxes, interest, etc., for same period, $2.01. A large producing mine in the Marquette district, exclusively hard ore, reports for the same period $1.60 as the average labor cost per ton, the average total cost per ton, $2.32; average wages paid, $2.10 per day.

If now we compare the average of this cost of mining soft and hard ores in these two districts of Lake Superior with the Bilbao cost per ton, it will appear that the labor cost per ton on Lake Superior is ten times that of Bilbao and more than four times that of Cleveland, England. Making allowance for the higher metallic contents of Lake Superior ore, the labor cost of a ton of Lake Superior ore is still not less than eight times that of Bilboa. An increase in the proportion of Lake Superior soft ores tends to reduce slightly the Lake Superior labor

cost per ton, but there will remain an enormous difference between Lake Superior and Bilbao and Cleveland labor cost per ton.

Our last census reports 38,227 persons engaged directly in American iron ore mining. There were 1,366 foremen, 2,079 mechanics, 12,432 miners, 21,010 laborers, 820 boys, 520 men in mine offices. The amount paid in wages was $15,458,118, an average annual earning capacity for each person so employed of $409.95. This was an increase in wages per man employed over the census returns for 1880 of $101.01 per annum, or 32.7 per cent, due principally to the fact that more mines are wrought underground, permitting more steady employment and requiring a higher grade of labor.

These census inquiries, as to labor and wages, included the working forces at the mine only. The average wages of foremen was: Above ground, $2.40; below ground, $2.46; mechanics, $1.90; miners below ground, $1.91; laborers above ground, $1.29; below ground, $1.60.

The range of wages on Lake Superior is about 20 to 25 per cent above these total averages for the whole country.

The average labor cost per ton in the United States is $1.06. In 1889 the total capital invested in mines was $109,766,199. The increase has been very large in the last three years.

In view of all these facts it can not be doubted that the present rate of duty on ore really represents much less than the difference of the labor cost of production at home and abroad. Nor can it be doubted that the presence of the duty has always powerfully operated to stimulate the exploration and the development of American ores.

Underneath our iron and steel industries, then, in consequence, lies an abundant and reliable American ore supply as against an impossible reliance on foreign ores.

The essential conditions of prosperity and permanence, as to materials of primary manufacture, are now all here—quantity, quality, and price; for it must be borne in mind that, under improved methods of mining and the domestic competition, the prices of iron ore to mills and furnaces have steadily declined, until the range of prices at the opening of 1893 was materially lower than ever before. The following table of prices of Lake Superior ore for the last six years shows this:

Grades.	1888.	1889.	1890.	1891.	1892.	1893.
Republic and Champion No. 1	$5.75	$5.50	$6.50	$5 50	$5.50	$4.50
Cleveland and Lake Superior specular No. 1 non-Bessemer	5.25	5.00	6.00	5.00	5.00	4.00
Chapin	4.75	4.50	5.50	4.25	4.25	3.65
Soft hematites No. 1 non-Bessemer	4.00	3.75	4.50	3.75	3.75	3.25
Gogebic, Marquette, and Menominee No. 1 Bessemer hematites	4.75	5.00	6.00	4.75	4.50	4.00
Minnesota No. 1 Bessemer	5.75	5.50	6.50	5.50	5.65	.....
Minnesota No. 1 non-Bessemer	.....	.....	.....	.....	4.85	.....
Chandler No. 1 Bessemer	.....	.....	.....	.....	4.85	.....
Lake Superior and Lake Angeline extra low-phosphorus Bessemer	.....	.....	.....	.....	6.00	4.65

There is an economic theory of "free raw materials" which insists on discriminating in tariff schedules against the capital and labor employed at the bottom of a given industry. This theory unanalyzed is plausible and convenient, but very unjust.

The only raw materials, in the absolute sense, are those furnished gratuitously by nature, and she rarely dispenses with transportation. She never separates, assorts, cleanses, and feeds into the hopper or the *stack.*

If pig iron can demand free iron ore, on the ground of raw material, then bar iron can make the same demand of pig iron, crucible steel the same of bar iron, and cutlery the same of crucible steel, and so on to the watch spring.

Iron ore, dormant and inert in the heart of the mountain, unloosened, unseparated from the enfolding rock, begins the long series, but the moment it is touched by labor and capital and lifted into the light it is a product, and it takes its place with the steel rail, the polished blade, and the cambric needle, of which alone it was the mechanical possibility. There are a hundred changes and manipulations, but each has been successively raw material to the manufacturer next above it.

But the "free raw material" theory pushes its application far beyond prime production. Imported at whatever stage of manufacture the foreign product may be, if not in condition for actual use by the ultimate consumer it must be classified as "raw material." American labor may be permitted to give it only the final touch—nineteen-twentieths of the labor may have been put upon the article abroad—still it is a "raw material" of American industry, and under the theory should bear a low rate of duty. This proposition, gentlemen of the committee, involves a great wrong and injustice. It is a deliberate discrimination in favor of the labor and capital employed in one industry against the labor and capital in another.

Under this specious theory it is even claimed that wrought scrap iron, a highly advanced labor product, requiring but a reheat, should enter duty free.

We have, of course, industries where crude materials must all be imported—crude materials which can not be or are not advantageously produced here. Such materials do not compete with home labor; their place is on the free list.

Crude materials, including iron ore, are on the free list in the tariff schedules of Great Britain, France, and Germany, because they have an insufficient domestic supply. Each of these countries imports iron ore, but the importation here of this theory from the British system and its application to a continent abounding with undeveloped mineral treasures is plainly an economic absurdity.

We ask for iron ore, gentlemen, the fair recognition it now has in the schedule. It is distinctly a product—a product of enormous combinations of labor and capital. Its designation by theorists as "raw material" neither changes its relations to that expended labor and capital, nor can such arbitrary and purely constructive classification, to suit these theories, impair its right to a defensive duty against wages in foreign-ore production that would be humiliating and oppressive to the last degree to the American laborer.

Ocean freights contain no really defensive element in the case. They are always low and irregular, generally merely nominal. Spanish ore in full cargoes has often crossed the ocean free of all freight charges.

Why, then, gentlemen, in view of the facts presented, should there be any change in the duty? What is the attitude on this subject of almost the entire iron and steel industries of the United States, the consumers of ore? They know that the future of American iron and steel depends upon an adequate ore supply, and that the retention of the duty will encourage and stimulate the development of iron ore on the perpetually enlarging scale of production that will be necessary to secure that supply, and they stand by it with the ore producers.

To this demand of the ore consumers of the United States for the retention of that duty there may be a few single exceptions of works

in two or three localities on the Atlantic coast, where there is an ow ership of foreign mines, and where the reliance for the ore supply mainly on the foreign product. In that case, we submit that the low cost of their ore production will make the payment of the duty hardship.

Again, the favorable position of such works on the deep water the ocean for the assemblage of crude materials and for the distrib tion of manufactured products to all American coast and foreign ma kets, makes up advantages which can not be shared by inland concern Under such circumstances, enjoying also in common with other indu tries whatever advantages come from duties on their manufacture products, can they ask for this special discrimination in their fav against interests in ore production and iron and steel manufacture hundred fold larger?

I close, gentlemen of the committee, with a single reference to t important contribution which the ore duty now makes to the Treasur Is it wise or is it necessary, either at the request of special interes or under a theory of free raw materials which can have no valid app cation on this continent, to reject that contribution?

IRON ORE.

(Paragraph 133.)

SIR: The paper filed by Mr. Ely presents in so forcible a manner t views held by the iron-ore producers of the Lake Superior region favor of retaining the entire duty of 75 cents per ton upon iron ore th the somewhat adverse views of iron-ore consumers on the Atlantic se board should be also heard.

In making steel by the Bessemer process, which is that by whi substantially all the steel is made that goes into steel rails, wire f fencing, ropes, nails, etc., and agricultural implements, only such or can be used as contain very little phosphorus. In the United Stat no adequate supplies of such ores have yet been developed exce those of the Lake Superior region; though some have been found northern New York, northern New Jersey, and North Carolina, th are quite insufficient, besides being costly to mine.

It is the interest of the seaboard steel-makers to get their indispe sable foreign ores as cheaply as practicable. As one chief means this end, some of them have made large investments in the iron-o region of the island of Cuba, thus becoming independent of the or of Spain, Africa, Elba, etc., which are naturally controlled by foreig ers. The Juragua Iron Company, mostly owned by the Bethleh Iron Company and the Pennsylvania Steel Company, has an investme of about $2,000,000 in Cuba, and is prepared to mine and ship 2,0 tons of iron ore daily from its own mines. Other iron mines in t same region are owned by other citizens of this country who look f their market here.

These Cuban ores, and to a smaller extent other foreign ores of hig quality, are necessary to enable the steel-makers of the seaboard maintain as against the steel-makers of the interior such competiti as is best calculated to promote the general prosperity of this countr

The existing duty of 75 cents per ton simply continues the duty esta

lished in 1883, when it replaced an ad valorem duty then equivalent to about 55 cents per ton and now equivalent to about 40 cents per ton.

The strange spectacle was presented in 1883 of raising the duty upon the material while lowering the duty upon all its products, and again in 1890 the duty upon the material was left untouched while the duty upon its products was lowered.

My belief that all American laborers should have a share in the tariff protection of American industry prevents me from asking that foreign iron ores should be admitted duty free, but I submit that if the duty on finished products is reduced a substantial reduction should be made from the existing duty on iron ore.

Very respectfully,

JOSEPH WHARTON.

STEEL.

STATEMENT OF MR. WILLIAM R. STIRLING, FIRST VICE-PRESIDENT ILLINOIS STEEL COMPANY.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: With your permission, I will read a paper which I have prepared, because I believe that by so doing I will save your time and keep nearer to the point.

I appear before you to-day as an officer of the Illinois Steel Company to impress upon you the hardship that is entailed upon both capital and labor by either radical tariff legislation or uncertainty in regard to the same.

When the five works of my company, representing an investment of about $30,000,000, are in full operation we directly employ not less than 9,500 men, to whom, in 1892, we paid $6,522,000 in wages.

Since January 1, 1893, our Union and Joliet works have not been in operation, whereby 3,800 men have been directly thrown out of employment. Since July 1, 1893, our Milwaukee works have run barely half time, and at our North works only the finishing department is in operation, making an additional 1,000 men.

Within a week from this date our largest plant at South Chicago will also be idle, and the ranks of the unemployed will be swelled by an additional 3,600 men, so that before the 1st of October, instead of having 9,500 men actively employed at good wages, we will have but 1,100.

At its various plants my company have eighteen blast furnaces; by next week none of them will be operating.

During the whole of this year we have been greatly curtailing operations, and for the last two or three months have only had from two to four furnaces in blast.

Under these conditions our purchases of iron ore have been merely nominal, and compared with those of previous years I think I am justified in saying that we have probably purchased one million tons less than usual.

What is true of my company is, I believe, equally true of others, and this paralysis of the iron and steel trades has produced untold hardships in the iron-ore regions of the three great States of Wisconsin, Michigan, and Minnesota.

When our works are in operation we are, of course, immense con-

sumers of coal, both raw and manufactured into coke. From Illinois and Indiana we ought to draw 860,000 tons of coal per annum, or about three trains of coal for every working day in the year.

From West Virginia and from Pennsylvania we ought to draw over one million tons of coke per annum, or three and one-half trains every working day in the year. To supply this coke alone would require an investment of about five millions of dollars, and the regular employment of 1,800 men.

From the stone quarries of Indiana we ought to receive nearly 600,000 tons of limestone per year, requiring the continual employment of two railroad trains of 40 cars each.

A large amount of railroad equipment specially constructed for this traffic in raw materials is now idle.

Our failure to consume this enormous amount of iron ore, coal, coke, limestone, and other raw materials of necessity throws out of employment, in addition to the men at the mines, large numbers on the railroads and on the lakes, whose business it is to transport these materials.

The receipts of raw material and shipments of finished products by my company in the year 1891 involved the handling of 149,000 railroad cars, and in 1892 153,000 cars, exclusive of all the material received by water.

I believe the importance of the iron-ore industry of this country is greatly underestimated. Its very existence depends upon the maintenance of our iron and steel manufactures. To transport the product of the Lake Superior iron-ore districts in the year 1892 would have required the continuous service of 180 steamers, making 25 consecutive trips, and carrying 2,000 tons on every trip. Or, in other words, the same vessel capacity that would move 300,000,000 bushels of grain upon the lakes would be required to transport the iron ore. It is little wonder that the severe curtailment of freight this year has thoroughly demoralized lake rates and thrown out of business a large number of vessels.

While a fear of radical changes in the customs laws hangs over this country, it can not be expected that the iron and steel trades and their kindred industries can be in a healthy condition.

While the sidetracks of railroads in the iron-ore and coal producing States are filled with empty cars, and while mining villages are practically deserted, the purchasing power of our customers is enormously restricted.

Relief can only be looked for by conservative action on the part of Congress. I believe the other representatives of the iron and steel trades now present will agree with me that the present uncertainty as to future legislation is the main cause of the present depression.

It is a popular fallacy that protected manufacturers are more interested in the maintenance of a protective policy than are the laborers employed in such industries.

A great many figures have been compiled relating to the interest that labor has in this question, and many wild statements have been published.

A very minute analysis of the direct and indirect labor cost involved in the manufacture of steel rails at the works of the Illinois Steel Company in the month of May, 1893, shows that, in pig iron, labor equals 77 per cent, material equals 23 per cent; in ingots, labor equals 79 per cent, material equals 21 per cent; in rails, labor equals 80 per cent, material equals 20 per cent.

A similar statement, compiled in the year 1890, when the cost of manufacturing was, owing to various causes, higher than the cost in

1893, showed that of the total cost labor amounted to 66.87 per cent and material to 33.13 per cent.

The cost of production by various causes has been cheapened between 1890 and 1893, and as the total cost of the article is decreased so the proportionate interest of labor to the whole is increased.

Or, if the question be looked at from the standpoint of the price to the consumer, the relation of labor still remains the same; all of which goes to confirm the accuracy of the statements made by some of our well-known students of economic questions, who claim that never before in the history of this country has labor secured so large a proportion of the price of any manufactured article, and at no previous period in our history has a laborer been able to purchase more of the necessaries of life with the proceeds of a day's toil.

Investigation shows that at the Joliet plant of my company, between the years 1886 and 1892, inclusive, the net advance in wages was 12 per cent, while the net decline in the selling price of steel rails was 11½ per cent.

In view of labor's very large share of the cost of manufacturing a given article, and in view of anticipated legislation, you will readily understand that the only wise course for a manufacturer to pursue is to insert in all labor contracts a clause stipulating that if tariff legislation is enacted affecting the price of his particular commodity the labor contract must be modified accordingly.

The cry for "free raw materials" is both deceptive and injurious to our trade. What are raw materials? To the pig-iron manufacturer, iron ore; to the steel manufacturer, pig iron and spiegel iron; to the rod manufacturer, billets; to the wire manufacturer, rods; and so on to each more highly finished grade of iron and steel. If the special interests of each manufacturer be given consideration, raw materials will cover nearly every article on the metal schedule. I firmly believe that there is no more necessity or equity in giving to the pig-iron manufacturer free ore than there would be in giving to the wire manufacturer free rods, or the tin-plate manufacturer free steel. If the door be once opened to this policy it will destroy the whole fabric of our manufactures.

Undoubtedly the majority of the branches are no longer "infant industries"; nevertheless they can not bear uncertainty or a vacillating policy.

Let me refer for a moment to the industry of manufacturing wire rods. In 1888, a subcommittee of the Senate Committee on Finance, when taking testimony on tariff matters, received a delegation of manufacturers and importers of wire rods. At that time it was stated that the existing mills manufactured about 275,000 tons of wire rods per annum, and the manufacturers urged that the then existing duty be maintained unchanged, claiming, if that was done, before long the manufacturers would supply the entire needs of this country.

An examination of statistics shows that out of a total supply of 381,500 tons of rods in 1888 we manufactured 73 per cent and imported 27 per cent; out of a total supply of 670,500 tons in 1892 we manufactured 94 per cent and imported 6 per cent, and that 6 per cent was for reëxport under a rebate of duty. We have, therefore, verified our claim.

Of this largely increased tonnage my company manufactured 211,000 tons from July, 1888, to July, 1892, inclusive. We constructed a special plant for that purpose, thereby providing an outlet for 985,000 tons of

raw material and supplies, and distributed in wages directly and indirectly about four and one-quarter millions of dollars.

This investment and employment of labor would never have been carried out but for the existence of the necessary protective tariff upon wire rods.

The industry of manufacturing spiegel iron has only assumed prominence in the last four years. Prior to 1889 the production never exceeded 50,000 tons per annum, while in 1892 there were produced 179,131 tons, of which the Illinois Steel Company manufactured over one-third, drawing their supplies of ore from Georgia, Virginia, Arkansas, Colorado, Wisconsin, and Michigan.

While spiegel iron might be called a "raw material" to the steel maker, and therefore to be admitted free, yet I believe in a sufficiently high rate of duty to encourage, if not compel, the development of the natural resources of this country, instead of consuming the product of a foreign country.

In 1888 I stated to the Senate Finance Committee the importance of a greater diversity of iron and steel manufactures. The McKinley bill revived the cotton-tie industry and inaugurated the manufacture of tin plates. The laboring men of this country are greatly interested in the maintenance of a sufficient rate of duty upon these goods (among others) to enable them to be manufactured at home instead of imported.

Relying upon the protection insured to us by the McKinley bill, my company among others entered into the manufacture of tin-plate bars, and but for the threatened adverse legislation concerning tin plate I have good reason to know that a very large plant for its manufacture would by this time have been established in or near Chicago, which is one of the largest consuming markets for tin plate in the United States.

If the same consistent protection be extended to tin plates that has been given to steel rails and other steel goods, there can be no question but that in a few years history will repeat itself and this country be self-contained in manufacturing at home all the goods of that kind that it consumes.

I assert, moreover, with equal confidence, that under these conditions the consumer will buy his tin plates or his tin dishes before long at a lower price than ever before.

Without arguing the question further, I simply urge on behalf of my company and the large army of men employed directly and indirectly through its operations: First, that no changes in the metal schedules of the tariff be made; second, that "raw materials" be *not* admitted free, because of the impossibility of defining what raw materials are, and because of the door that would be opened wide for fraud in the free admission of so-called scrap as a "raw material"; third, that the interests involved are so enormous in the mines, factories, quarries, railroads, and vessels that the paralysis following a radical change in the customs laws would be nothing less than a national disaster; fourth, that the great expense attending the assembling of raw materials for manufacturing iron and steel—owing to the vast distances in this country, and because of the higher rates of wages paid to the men upon our railroads and vessels, in comparison with the distances and rates of wages paid in Great Britain and on the continent of Europe—necessitates the imposition of an adequate duty to fully counterbalance this expense; fifth, I do not believe it would be for the best interests of this country, nor in accordance with the spirit of our institutions, that the wages of our working classes should be reduced to the European level; sixth, the first cost of construction of the numerous factories in

this country has been enormously in excess of that of our foreign competitors, and the rapid development of the art of manufacturing steel and iron necessitates a constantly recurring expense of a like nature, thereby loading us down with a very heavy burden of fixed charges.

It hardly seems necessary to point out the advantage to such States as Illinois, Indiana, West Virginia, Ohio, Pennsylvania, Michigan, Wisconsin, and Minnesota, in all of which my company alone gives employment, and many other States, in having thousands of laborers well paid and actively employed in the mines, factories, and railroads, consuming a liberal share of the farm produce of these States.

Mr. STIRLING (after reading paper). This is what I had prepared before our coming here after our very brief notice. In the questions which were asked this morning there were some points made which I would like to discuss a few moments. Before doing so I will say that I was looking over some figures this morning which I had before me and I found that by taking a schedule of all but one of our plants at Joliet for the time between 1886 and 1892, inclusive, wages advanced 12 per cent net, while the price of the product declined 11 per cent net.

I have personally employed labor in manufacturing on the other side for nine years, and on this side for fourteen years. I have in my employ men from the other side who are working for me to-day. I have cross-examined a number of those men in my employ, and I have indisputable evidence of the condition of the laboring people here, the wages earned, and the chances of success and promotion, as compared with what they can get abroad. If our rates of wages are not maintained by a protective tariff we will be compelled to get labor on a par with the foreign labor. I will go further and emphasize that. I am prepared to say that so long as the iron and steel industry, the finished steel, is not developed in this country at the same point where the Lord has put the material together—I might say right under your hat—we could not produce it, if labor were willing to give its work for nothing, while we were compelled to compete with the foreign goods.

At the conclusion of his written argument Mr. Stirling read an extract from an address delivered by him in February, 1888, at the first annual banquet of the Business Men's Association in Joliet, Ill., in which he said:

It is no secret nor any cause of shame that iron and steel manufacturers in the United States absolutely can not compete, on even terms, with the manufacturers in England or Europe; it would be difficult to find there a locality where iron ore and coal are 100 miles apart, while Providence has so ordered the distribution of the raw materials in this country that we are compelled to transport them distances unheard of abroad.

I think you will be surprised when I state that it required the consumption of 4½ tons of raw material at the works of my company (and they are as well located as any) in 1887 in the manufacture of each ton of rails; that each ton of raw material was moved an average distance of 412 miles, at an average freight cost of $2.04 per ton; or, in other words, the outlay for freight on materials used for each ton of rails manufactured amounted to $9.53.

Is not this sufficient answer to the free-trader, who with untiring monotony dins into our ears the statement "that the ocean freight on the finished products ought to be, and is, sufficient protective tariff." That ocean freight, let me tell you, is hardly, if ever, over $3 per ton, and more frequently from $1 to $2. If even you are prepared to reduce the wages paid to all the workmen in the country engaged in manufactures and transportation to the level of the wages paid abroad, you can not then overcome the difference existing through the enormous distances to be traversed in the States.

I quote a reliable authority when I say that a comparative statement of the wages paid to the employés on fifteen trunk lines in the States during the year 1880, excluding general officers and clerks, showed the average to be more than double the rates paid the same class of labor in Continental Europe.

My father was a railroad president for twenty-five years, and I got from the railroads in Great Britain the wages paid by them and compared them with the trunk lines running into Chicago and a variety of other wages. I found that it was two to five times the wages paid abroad. Add that to the distance which you have to bring the goods, and you have a hopeless mountain to climb. Let me emphasize that still further: A few years ago I was at the works of the Charles Campbell Company at Sheffield. Since that time that plant has been removed bodily from Sheffield down the seacoast to Cumberland for the purpose of avoiding the haul of the material back and forth. They moved down to the seaboard to get rid of the small difference in the haul.

The question has been raised as to our paying dividends on watered stock. There is not an ounce of water in our works in any shape or form. Instead of the capital being more it is less by some millions of dollars than it was when we started. One of our companies has failed once; one has failed twice. Millions of dollars have been sunk in getting to where we are to-day.

Mr. BRECKINRIDGE. What is the name of your company?

Mr. STIRLING. The Illinois Steel Company.

Mr. BRECKINRIDGE. You spoke of it being impolitic to cheapen the cost of raw material, and that if the raw material were put on the free list our whole tariff system would go by the board. Why do you think that if the raw material were placed on the free list it would destroy our protective system?

Mr. STIRLING. It is a question of what raw material is. If I am manufacturing pig-iron, spiegel iron is my raw material.

Mr. BRECKINRIDGE. If we make ore free, and raw material of that character, why should we not make everything else free?

Mr. STIRLING. Why should you select ore any more than you should select some other raw material that is used?

Mr. BRECKINRIDGE. Explain upon what idea you think that if we should put raw material on the free list it would lead to the destruction of the tariff system.

Mr. STIRLING. I go on this ground, that I call myself a consistent protectionist from the ore to the finished product.

Mr. BRECKINRIDGE. I want your reason for that. Upon what ground do you justify protection in the first place?

Mr. STIRLING. I believe it to be necessary for the maintenance of our industries. I believe it is best for the interest of the farmers and best for everybody. I believe that land in the neighborhood of Chicago and Joliet raising products of all kinds that are consumed by the thousands of people who are employed is more valuable and worth more money.

Mr. BRECKINRIDGE. Suppose your raw material, which is largely composed of iron ore, is put on the free list, does that necessarily hurt your production of steel rails?

Mr. STIRLING. It will injure railroads that are to-day carrying the iron ore. With free ore that land will lose its ability to pay as much.

Mr. BRECKINRIDGE. Explain how you would be hurt if iron ore were put on the free list?

Mr. STIRLING. I am afraid I have not made myself clear.

Mr. BRECKINRIDGE. Give us a demonstration.

Mr. STIRLING. If you come to me to-morrow with free ore it will injure the iron-ore districts.

Mr. BRECKINRIDGE. How will it?

Mr. STIRLING. It will lower the price and close all the mines.

Mr. BRECKINRIDGE. What makes you believe it will? By what kind of reasoning do you come to that conclusion?

Mr. STIRLING. It will make business dull until the mines on the lakes and railroads have cut wages down to practically starvation rates. They could not live. I come to that conclusion from investigations made from time to time as to foreign prices and costs in this country. If railroads pay from two to five times more wages here than abroad——

Mr. BRECKINRIDGE. You do not give any data to show why putting ore on the free list would destroy the ore industry in your section of the country or impair the production of steel rails. You have simply given your opinion. I am trying to get proof so as to enable us to join you in that opinion, if possible.

Mr. STIRLING. I am afraid I can not give you proofs, because no man can prove it until after he has found it out.

Mr. BRECKINRIDGE. You have given us nothing to prove this.

Mr. STIRLING. I have not tabulated it in shape to be of value.

Mr. BRECKINRIDGE. When you establish a plant, do you make inquiries in regard to the transportation, do you predicate your action upon the investigations of wages paid railroad and steamboat employés, or do you predicate it upon the rates of freight which you can get guaranteed?

Mr. STIRLING. The natural thing to do would be to ascertain, if I were foot-loose to-day and going to locate, how I could advantageously bring my raw material in.

Mr. BRECKINRIDGE. That would be with reference to rates of freight with transportation companies?

Mr. STIRLING. Certainly.

Mr. BRECKINRIDGE. Do you not consider the rates of protection here and abroad an embargo upon consumption here?

Mr. STIRLING. It works the other way. The higher the rate of duty and the more protected an industry is the more capital goes into it. Therefore the lower the price the greater the consumption.

Mr. BRECKINRIDGE. You leave out the last condition. Under those circumstances the rate of duty would not be felt by manufacturers. Would it not be hurtful and be an embargo upon consumption in this country?

Mr. STIRLING. If the manufacturers combine and keep the price up, plus the duty, and limit consumption, yes; but I would also say I never knew of any such combination that was successful. It does not hold long.

Mr. BRECKINRIDGE. If, from any cause, whether combination or anything else, does the rate not exceed to a considerable extent the difference in the cost of production?

Mr. STIRLING. That is simply a repetition of the same question.

Mr. BRECKINRIDGE. You did not answer it.

Mr. STIRLING. I will repeat my answer. Temporarily manufacturers can maintain that fictitious state of things and limit consumption because of the high price; but history shows that it has never ultimately succeeded, but it has always brought retribution with it.

Mr. BRECKINRIDGE. You consider it is necessary that rates should be materially in excess of the difference in cost of production?

Mr. STIRLING. I say it ought to be more than the difference. If you want to keep an industry alive in this country you must encourage it, and instead of making it timid you must give it a margin. Take wire rates. We were two or three years hesitating whether we would

go into it, because there was not sufficient margin. We have gone into it, and I have shown you what we have done. We had our plant made for it, and had a meeting of our board of directors, and there was considerable hesitation before we concluded to go into it.

Mr. BRECKINRIDGE. You want a considerable difference to cover that?

Mr. STIRLING. I want a reasonable margin above the cost.

Mr. PAYNE. You said you had employed labor on the other side as well as here?

Mr. STIRLING. Yes, sir.

Mr. PAYNE. You did not state what was the comparative difference in price between the other side and this side.

Mr. STIRLING. I was not in the same industry over there; but, to begin with, I will say that the pay of clerks, cashiers, and managers, mechanics, foremen, and men of that kind—I can not give the figures specifically—but I am paying vastly more than I have ever paid. I know that the pay of chemists, stenographers, puddlers, and every kind of mechanic is very much better here.

Mr. PAYNE. Can you state what the difference is?

Mr. STIRLING. It is three or four times as much here. I will state a case in point: A young fellow came to Chicago only a few years ago, who was abroad a professor and analytical chemist. I found him working in a music house, and employed him as a junior at the outset. As a junior he got more than he was paid abroad.

Mr. GEAR. In a nonprotected industry?

Mr. STIRLING. That was in the steel trade.

Mr. PAYNE. He is protected by the general wages and the location?

Mr. STIRLING. Yes, sir.

Mr. PAYNE. When you say the difference between the wages is three or four or five times as great, do you take into consideration the comparative effectiveness of labor?

Mr. STIRLING. Yes, sir. Take this case: he does not do any more work than he did abroad; his effectiveness is no greater and no less. The rate paid per ton, or per day, or per hour, to the men is, as I said, vastly in excess of the rate paid over there. I am willing to grant that a man here will do more work, and that he gets more money.

Mr. PAYNE. This you have ascertained by cross-examining those who had worked and who knew what the rates were?

Mr. BRECKINRIDGE. During the early part of your remarks, did you submit any statement as to the cost of the production of the articles made in this country and abroad?

Mr. STIRLING. No, sir. I have not the data, but I could get it.

Mr. BRECKINRIDGE. Therefore you are not prepared to say what your industry actually needs?

Mr. STIRLING. I can remember when it was thought to be bankruptcy to sell steel rails at £4. They are selling now for £3 12*s*. 6*d*. The protection that I want is the protection that will give me a living price, and which will enable me to pay wages and give the margin to which capital is entitled to have below the least possible figure that the foreigner can run on.

Mr. BRECKINRIDGE. Have you submitted the cost of production, or the approximate of what your industry really needs?

Mr. STIRLING. No, sir.

Mr. BRECKINRIDGE. Are you going to submit that to us?

Mr. STIRLING. I do not think the cost of production of my company would be a fair basis for the action of this entire country. There is a

difference between the cost in the product of my own mills. Five years ago I had a small billet mill in this country, at Joliet, and in the year 1892 the whole total outcome of the manufacture of that plant at Joliet by our company, after taxes, maintenance, and regular repairs were done, showed no profit, with about $1,000,000 capital. We did not earn or declare any dividend. I will have to spend $12,000 to have that plant put in repair, and I have not turned a wheel this year. The money I have in it is going to be idle, adding that much to my fixed charges. How am I going to get it back again?

Mr. BRECKINRIDGE. When you endeavor to influence capital to go into your business, do you not submit to capitalists an estimate of what you expect to make?

Mr. STIRLING. The only way I can get capital to assist me is by putting on a mortgage and guaranteeing it a certain rate of interest. They do not want to subscribe capital. The capital I have got in that plant is not worth 50 cents on the dollar.

Mr. BRECKINRIDGE. Have you made an estimate of the cost of production?

Mr. STIRLING. Yes, sir; we do that every month. It does not matter, however, what one month's cost may be.

Mr. BRECKINRIDGE. It is necessary for the committee, having to discharge as important functions as we have, to have a good idea of the average cost of production in these industries in this country, in order that we may know where to trace it.

Mr. STIRLING. I will say that individually for my company I do not believe there is any call for a change in the tariff as it now exists. I think it would be a great injury to change it. If the committee has made up its mind that there must be a change, I think that our manufacturers will be ready to give them any data which they can.

Mr. BRECKINRIDGE. That is what I am trying to get.

Mr. STIRLING. I am not prepared to give it now.

Mr. BRECKINRIDGE. Are you willing to do that?

Mr. STIRLING. I as one individual, or for the entire trade?

Mr. BRECKINRIDGE. I do not expect you to go into a combine, I want the information.

Mr. STIRLING. I can get it.

Mr. BRECKINRIDGE. You want this rate maintained, but you do not submit proof that it should be maintained.

Mr. STIRLING. I have always, so far, tried in any statement I have ever made to any committee, in any shape or form, to make no statement that I could not substantiate. I have always tried to give figures that I could stand on. Therefore, I would not hastily give an answer to that question. I think that when the time comes that this committee requires information of that character we will be willing to submit figures.

Mr. BRECKINRIDGE. If you can submit that kind of data, I would like to receive it, so far as I am concerned.

Mr. STIRLING. Bear this in mind, that the question is so peculiar, and there are so many factors in it that answers do not occur to me, and probably in the multiplicity of details would not occur to you. It is impossible for me to-day to reach the Pacific coast under the present duty. I think the Eastern manufacturers have hard work to get to the Pacific coast. Twenty-five thousand tons of steel came to the Pacific coast in 1890. If you bring the English rail from the seaboard and ship it to Chicago, the present duty is sufficient; but if you expect to reach the Pacific coast and meet competition, a greater rate is neces-

sary. The cost of production in my mill does not give you a comprehensive review of the whole situation.

Mr. BRECKINRIDGE. But do you believe that we ought to lay rates of duty that would bind the whole country to the American manufacturers, regardless of the cost of transportation?

Mr. STIRLING. Practically, yes.

Mr. BRECKINRIDGE. Would that enable you to charge a rate high enough to make up the difference in proximity?

Mr. STIRLING. If you have iron ore in Texas, and in the State of Washington, you have resources of this country which are constantly changing.

The CHAIRMAN. Where do you get your ore?

Mr. STIRLING. From Michigan, Wisconsin, and Minnesota.

The CHAIRMAN. What does it cost, delivered at your mills?

Mr. STIRLING. This year I suppose it will be somewhere about $3 to $4.75.

The CHAIRMAN. That is Bessemer ore?

Mr. STIRLING. Yes, sir.

The CHAIRMAN. Where do you get your coke?

Mr. STIRLING. We get our coal from Indiana and Illinois, and our coke from West Virginia and Pennsylvania.

The CHAIRMAN. Do you use anthracite?

Mr. STIRLING. No, sir.

The CHAIRMAN. What does your coal cost delivered at your mill?

Mr. STIRLING. From $1.50 to $2.25.

The CHAIRMAN. What does your coke cost?

Mr. STIRLING. About $4.25.

The CHAIRMAN. Where do you get your limestone?

Mr. STIRLING. From Logansport, Ind.

The CHAIRMAN. What does that cost?

Mr. STIRLING. $1.25.

The CHAIRMAN. Are those rates the chief cost of assembling your materials?

Mr. STIRLING. That is the price of transportation.

The CHAIRMAN. Transportation and cost of product?

Mr. STIRLING. I am speaking roughly. I did not know that I was going to be asked about these details, and I may not have them accurate.

The CHAIRMAN. Suppose that iron ore were put upon the free list; would that affect you in any way?

Mr. STIRLING. Mr. Breckinridge has been questioning me and he says I do not prove anything. I do not profess to prove anything. I must theorize as well as any one else.

The CHAIRMAN. What effect would it have if we put iron ore on the free list?

Mr. STIRLING. It would give me iron ore cheaper.

The CHAIRMAN. Your iron ore could be had at Chicago cheaper, and you get it from Wisconsin and Michigan?

Mr. STIRLING. It would be cheaper in this way; but the miners in Wisconsin and Minnesota would have to work for less money. The men on the railroads would have to work for less money; the capital would have to be content with less money, and the capital invested would have to do without dividends.

The CHAIRMAN. If foreign ore could not be delivered at your works cheaper than the ore from Wisconsin and Michigan, how would that affect the wages of miners?

Mr. STIRLING. The foreign ore would get to tide water and the lake, and would probably meet us at Pittsburg. The Lake Superior mines would be dependent upon the consumption of Illinois and Ohio, and that would cut the business in half.

The CHAIRMAN. You say that your Eastern competitors would get ore cheaper than you would?

Mr. STIRLING. No, sir. The foreign ore would come into this country and be moved from the seaboard west, and would meet the Northern ore at a certain point, probably Pittsburg. The foreign ore would compel the native ore to come down in price.

The CHAIRMAN. You want to be shut out from all competition where the two ores meet?

Mr. STIRLING. No——

The CHAIRMAN. Would not there be a fluctuation?

Mr. STIRLING. My anticipation is that the use of foreign and native ores would bring down the price.

The CHAIRMAN. Do you know whether it costs more to put down a ton of ore here?

Mr. STIRLING. I do not know absolutely, from personal knowledge, but I have circumstantial evidence that that is undoubtedly the case.

The CHAIRMAN. Suppose there was an American demand for foreign ore. Would not that raise the price of foreign ore at once?

Mr. STIRLING. If there was no impairment of the demand, probably yes.

The CHAIRMAN. In order to make any reduction felt in this country there would have to be a substantial demand for foreign ore, would there not?

Mr. STIRLING. I think we would have to import as much as 1,000,000 tons of ore to the seaboard. I do not carry the figures in my mind.

The CHAIRMAN. Do you know when the price of ore was highest?

Mr. STIRLING. I think that occurred in a year when the production in this conntry was hardly up to the consumption.

The CHAIRMAN. I understood you to say that if raw material were put upon the free list it would destroy the whole system of protection?

Mr. STIRLING. I say that, based upon my definition of what raw material is.

The CHAIRMAN. You employ about 9,500 men, and your pay roll was six and a half million dollars last year. How much is that per man—between $600 and $700, is it not?

Mr. STIRLING. It is not far from $700.

The CHAIRMAN. In that average you include not only the workmen but the clerks, superintendents, and that kind of labor, do you not?

Mr. STIRLING. We include the office force at the mills, the actual superintendents at the mill; but we do not include the city-office force, the president and salaried men.

The CHAIRMAN. Is that rate of wages more than the rate of wages which prevails in this country in the manufactures involving arts and trades where there is no foreign competition?

Mr. STIRLING. I do not know.

The CHAIRMAN. You are speaking of the very much higher rate of wages paid to railroad employés in this country. There is no foreign competition there, is there?

Mr. REED. They are in the same situation as if they had a prohibitory tariff.

Mr. STIRLING. Their employés make their wages from the product of the mines to-day.

The CHAIRMAN. The only prohibitive tariff which they have is the rate on foreign tonnage to this country.

Mr. STIRLING. Let me state that the tonnage from our mills for the first year was $4.67 per day; for the next year, it was $6.26 per day; the next year it was $6.97; the next year it was $7.78; and the next year it was $8.18 per day.

The CHAIRMAN. Is it a question of the daily wages of labor, or is it the question of the cost of putting the product in the market?

Mr. STIRLING. They go together.

The CHAIRMAN. Each is an element; but is not the last the principal one?

Mr. STIRLING. The last is made up of the first.

The CHAIRMAN. I thought you were rather dwelling upon the first, as if that were the only element involved.

Mr. STIRLING. When I say labor cost is 80 per cent of the whole, it seems to me that that is the greater factor.

The CHAIRMAN. It is 80 per cent of the whole, if you go back to the ore?

Mr. STIRLING. Yes, sir.

The CHAIRMAN. Do you count everything as labor cost except royalty?

Mr. STIRLING. I count everything except taxes, insurance, and royalty. They are not labor.

The CHAIRMAN. In the report of the Bureau of Labor, a Government publication, the cost of making a ton of steel rails is put down at about $24.80.

Mr. STIRLING. My experience with figures that I have seen published by Labor Bureaus are perfectly wild statements.

The CHAIRMAN. This report of the Government is a very exhaustive inquiry into the cost generally of steel rails in this country and England, and the entire labor cost of a ton of steel rails in this country was put down at $24.80.

Mr. STIRLING. I never in my life was able to make rails for any such price. I have never done it, and I have no prospect of ever doing it.

The CHAIRMAN. Can you not make rails as cheap as any other producer?

Mr. STIRLING. I do not know.

The CHAIRMAN. What portion of the product of the country do you make?

Mr. STIRLING. If I could run on full time I think I could make product enough to supply nearly all the country wants this year.

The CHAIRMAN. How many companies are engaged in making steel rails in this country?

Mr. STIRLING. There are eight or ten.

The CHAIRMAN. Have you an agreement as to the quantity you make each year?

Mr. STIRLING. There is no agreement in any shape or form that limits the product or fixes the price.

The CHAIRMAN. There is no agreement as to the disposition of the product of the mills?

Mr. STIRLING. There is an agreement among manufacturers, but it in no shape or form limits the product of steel rails.

The CHAIRMAN. What is the agreement, then?

Mr. STIRLING. I do not think it necessary to state that here.

Mr. BRECKINRIDGE. Do you divide the territory or the market among yourselves?

Mr. STIRLING. The agreement between ourselves does not in any way impair the customer in any shape or form. A man can get all the rails he wants at a satisfactory price.

Mr. BRECKINRIDGE. Can he buy from anybody he wants to?

Mr. STIRLING. He can buy from anybody.

Mr. BRECKINRIDGE. Is there no correspondence between you?

Mr. STIRLING. I am not aware what other mills sell for. If a man wants to buy at Sparrow's Point I can not prevent him.

Mr. BRECKINRIDGE. There is no division of territory?

Mr. STIRLING. No, sir.

Mr. BRECKINRIDGE. What is the nature of that agreement?

Mr. STIRLING. I said I did not think it was necessary to explain our business, and you are asking in detail the same questions which the chairman asked.

Mr. BRECKINRIDGE. You are expecting your business to be protected at the cost of the people, and you are not willing to let the people know what your cost is.

Mr. STIRLING. I have gone on record as saying that the product is not limited, nor the price monopolized or limited.

Mr. BRECKINRIDGE. You declined to answer the chairman's question, however.

Mr. STIRLING. I did not think it was necessary.

Mr. TARSNEY. Have you any foreign market for your product?

Mr. STIRLING. No, sir.

Mr. TARSNEY. You do not transport goods to Mexico?

Mr. STIRLING. No, sir.

Mr. TARSNEY. Do not some steel rails go to Mexico?

Mr. STIRLING. I do not think that is possible.

Mr. TARSNEY. Did not some American steel rails go to Mexico last year?

Mr. STIRLING. Not that I am aware of.

Mr. TARSNEY. You say the cost is $12 for a little over the third of the cost of production in England?

Mr. STIRLING. The selling price in England is £3 12*s*. and 6*d*.

Mr. TARSNEY. And the duty is $13.44; and you say it costs about $12 to make them.

Mr. STIRLING. It is about $18 or $19.

Mr. TARSNEY. That includes labor, material, and everything else.

Mr. STIRLING. Yes, sir.

The CHAIRMAN. As a rule, when an article of common necessity becomes cheapened, its consumption increases, does it not?

Mr. STIRLING. I should say so.

The CHAIRMAN. If you make steel rails cheap, would there not be more railroads built?

Mr. STIRLING. I do not think so, under present conditions. I think the country has all the trunk lines it will need for sometime to come.

The CHAIRMAN. Are there not a great many lines of projected railroads in this country?

Mr. STIRLING. Not that I am aware of.

The CHAIRMAN. Your idea is that we have all the railroads we need?

Mr. STIRLING. For the immediate present I think the country is well supplied, unfortunately; I wish it were otherwise.

The CHAIRMAN. If steel rails were cheaper in this country would it not stimulate railroad building?

Mr. STIRLING. I do not think so.

The CHAIRMAN. The cheapening of the cost of railroad building to

the amount of $5 per ton on rails per mile would amount to perhaps $500 per mile less.

Mr. STIRLING. Yes, sir.

The CHAIRMAN. If we did import steel rails, in what would we pay for them?

Mr. STIRLING. I suppose we would pay for them with the additional wheat which would be raised by my men, because they would have to go to raising wheat. Whether that would make a better price to the wheat-raisers I do not know. The men in the mining regions to-day have gone from the farms, mostly.

The CHAIRMAN. You think, as a general proposition, it would be better to hire somebody else to do your work than to do it yourself?

Mr. STIRLING. I am a Scotchman, and the Scotch are a little slow. I confess that I do not quite catch on to that.

The CHAIRMAN. You do not do anything for yourself that you can hire done cheaper?

Mr. STIRLING. I should think it probable.

The CHAIRMAN. You do not take care of your horses because you can hire somebody cheaper?

Mr. STIRLING. I do not take care of my horses; but what does that prove?

The CHAIRMAN. If a man can make more by raising wheat or cotton, and paying for the steel rails with the wheat and cotton than he can by making the steel rails, it would be good business for him to do it, would it not?

Mr. STIRLNG. Yes, sir; but if the price of that cotton is made in Liverpool, and is fixed by the price in India, I do not see where the farmer would be benefited.

The CHAIRMAN. The price of wheat is fixed by the price it gets in Liverpool?

Mr. STIRLING. Yes, sir; the price in England or in Russia. As for myself, I prefer not to take that class of competition.

Mr. REED. The more wheat that would be raised by your men the lower would be the price in Liverpool?

Mr. STIRLING. Yes, sir.

Mr. REED. When you set your men to raising wheat there would be more wheat raised and put upon the market?

Mr. STIRLING. It would multiply the production of wheat, whereas they are now consumers of wheat. The laboring men are living on their wages.

The CHAIRMAN. That is the predicament of the cotton and wheat planter.

Mr. STIRLING. I do not think you need worry about that. We have 90 per cent of our agricultural products consumed here.

The CHAIRMAN. Do you think we consume 90 per cent of our wheat in this country?

Mr. STIRLING. I do not know the details.

The CHAIRMAN. Do we consume 90 per cent of the cotton raised in this country?

Mr. STIRLING. I can not tell. We consume 90 per cent of wheat, according to the Government reports.

The CHAIRMAN. Are wages in the trades and arts, which export goods such as cotton mill machinery, sewing machines, locomotives, furniture, and things of that kind, as high as in your line of production?

Mr. STIRLING. I really do not know.

The CHAIRMAN. Do you think it is the protected industries that keep up the rate of wages in this country, or is it the other industries that maintain the rate of wages?

Mr. STIRLING. I am not sufficiently posted in all the rates of wages in the miscellaneous trades of the country to answer that. That is the case in my own industry, I am firmly convinced.

Mr. TURNER. You say that on an average the labor element in a ton of steel rails amounts to about 80 per cent of the aggregate cost?

Mr. STIRLING. The direct and indirect labor.

Mr. TURNER. You said that on this side it is two to five times as great as on the other side. What would be the percentage of labor in a ton of the steel rails made in England?

Mr. STIRLING. I really do not know.

Mr. TURNER. Would it be one-half, or one-fifth, or what amount would it be according to the ratio you have given?

Mr. STIRLING. I do not know. I would have to analyze that pretty carefully.

Mr. TURNER. Do we pay twice as much or five times as much as on the other side?

Mr. STIRLING. I would say one and a half times as much.

Mr. TURNER. Did you not state just now that the labor cost here was two to five times as great as in England?

Mr. STIRLING. The labor cost, as far as I know anything about it, is two to five times as much on this side as in England. I state that as a result of an investigation made years ago.

Mr. TURNER. At this time, under existing conditions, what would be the relative cost of steel rails as to the element of labor between the two countries?

Mr. STIRLING. I have made no investigation for several years, so I can not answer that.

Mr. TURNER. To say that it is two to five times as great in this country makes a pretty wide margin. Who pays for the added price of steel rails in this country? Is it the foreign manufacturer, if imported, or the railroads that buy as consumers?

Mr. STIRLING. I don't see that the foreigner has anything to do with the cost, as no importations come in. As to tin-plates, I can state that the foreigner is paying for them. The price has never gone up in proportion to the duty.

Mr. TURNER. On the question of steel rails, you have such a complete domination of the market as to exclude the foreigner altogether?

Mr. STIRLING. Mr. Swank could tell more about that than I could. I know very little, if anything, about it.

Mr. TURNER. It has been stated by Mr. Wharton and others that very little steel rails are imported. Do you think it would be fair to put a duty at a rate that would keep them out and prevent the market coming down to a fair price?

Mr. STIRLING. The American consumer is satisfied with the price. The railroad people have told me so—that they are entirely satisfied, All the railroads ask is that the price should be stable. They do not want fluctuations up and down. The railroads are not asking this, for their traffic comes largely from the steel rail industry. If you will take the railroad statistics and look into them, you will find that their business in 1888 in ore, coal, steel, iron, limestone, and coke exceeded their business in agricultural products vastly.

Mr. TURNER. But you forget that a great many of the railroads have

not that same relation to that traffic. They have to depend upon the agricultural communities.

Mr. STIRLING. You would be surprised to find how many of them are engaged in that.

Mr. TURNER. Do you mean to say that the railroads are content with the prices you charge?

Mr. STIRLING. I have been so informed by the presidents of some of the leading trunk lines.

Mr. TURNER. Would they not be glad to get them at $18 instead of $28?

Mr. STIRLING. I could not state as to that.

Mr. TURNER. I think that must be wrong about the railroads having no souls. If that is true, I think they are very liberal.

Mr. STIRLING. I did not go to Mr. Vanderbilt for my information.

Mr. BYNUM. You spoke of 90 per cent of the agricultural products of this country being consumed here. It was 98 per cent in 1860.

Mr. STIRLING. I don't know about that.

Mr. BYNUM. Don't you know that the percentage of exportations of agricultural products is increasing, and has been increasing ever since 1860?

Mr. STIRLING. I was not aware of it. Even if what you say is so, it is easily explained.

Mr. BYNUM. It would be explained by the fact that we have been giving the home market to the farmers.

Mr. STIRLING. We commenced to manufacture steel rails somewhere about 1867. The growth of the trunk lines has been enormous since the introduction of steel rails.

Mr. BYNUM. You were giving the statement as showing that such a large proportion of agricultural products were consumed at home; and what I want to call your attention to is the fact that 98 per cent of our agricultural products were consumed under a low tariff, and only 90 per cent are consumed under a high tariff.

Mr. STIRLING. What was 98 per cent then compared with 90 per cent now?

Mr. BYNUM. I want to call your attention to the fact that agricultural products are increasing all the time.

Mr. STIRLING. We are eating more of them.

Mr. BYNUM. You speak of the wages paid to the tonnage men. What proportion of the 9,500 men which you employ are tonnage men?

Mr. STIRLING. I could not answer that off-hand.

Mr. BYNUM. It is only a small proportion.

Mr. STIRLING. I wouldn't like to make a guess.

Mr. BYNUM. You have men employed by the day, I suppose?

Mr. STIRLING. Yes, sir; lots of them.

Mr. BYNUM. What do you pay them?

Mr. STIRLING. Fifteen cents an hour.

Mr. BYNUM. How many hours do they work?

Mr. STIRLING. Ten or 12 if they want to—at least before this depression.

Mr. BYNUM. I am not talking about the time since the depression. I suppose that not more than half your men are working at that rate of wages?

Mr. STIRLING. Certainly not; but that is the common rate of wages.

Mr. BYNUM. Is not that so in most of the iron industries?

Mr. STIRLING. Not that I am aware of.

Mr. BYNUM. Is it not so in Homestead?

Mr. STIRLING. I do not want to mislead you, or have you misunderstand me. Common labor is 15 cents an hour. Foremen get $2.10 a day at Chicago. Mechanics get another rate, and there are other men who are not common laborers or tonnage men.

Mr. BYNUM. The tonnage men are the highest paid labor you have?

Mr. STIRLING. Yes, sir.

Mr. BYNUM. What were steel rails worth in 1886?

Mr. STIRLING. I can not recollect.

Mr. BYNUM. You were in business then?

Mr. STIRLING. Yes, I have been in business ever since 1879, but I do not carry those figures in my mind.

Mr. BYNUM. In 1886 there was a large increase in the demand for steel rails on account of the increased railroad construction, amounting to 12,000 miles. The price in 1885 ran up from $27 to $39 in 1886. Is not that true?

Mr. STIRLING. I don't know.

Mr. BYNUM. In what year was it that they went up?

Mr. STIRLING. I know the Joliet Steel Company lost money in steel rails about that time.

Mr. BYNUM. Do you not recollect that in 1886 the price of steel rails went up from $27 to $39 a ton?

Mr. STIRLING. I do not remember; there was an advance.

Mr. BYNUM. Do you not remember that there was an advance in the price of steel rails of about $12 a ton? What was the cause of that advance?

Mr. STIRLING. I presume it was on account of the demand.

Mr. BYNUM. When they were selling rails at $27 a ton, they were making a profit, were they not?

Mr. STIRLING. No, sir; I lost my capital.

Mr. BYNUM. Then it would have been wise business to have closed up?

Mr. STIRLING. It would have been difficult to have closed up.

Mr. BYNUM. The tariff at that time was about $17 a ton on rails.

Mr. STIRLING. It may have been; I don't know. I can not recollect these figures.

Mr. BYNUM. Did not the steel-rail manufacturers during that year, because of the high tariff and low competition, run the price up from $27 to $40 a ton?

Mr. STIRLING. If I had those facts and figures before me, I would be very willing to answer, but I do not recollect.

Mr. BYNUM. Being in the business, you ought to know.

Mr. STIRLING. I have not taxed my memory with those things. I do not keep track of selling prices in years past. I have enough to do to keep up with the present time.

Mr. BYNUM. You speak of importations injuring the business in this country. Was it not in 1880 or 1881 that the largest importations of pig and scrap iron were made?

Mr. STIRLING. I fancy it would be, but at the same time that was a year of extraordinary activity all over the world, and prices were abnormally high. Therefore the surplus demand had to be supplied from abroad and was supplied. It was high in this country.

Mr. BYNUM. Have you examined statistics with reference to the question as to whether years of prosperity are not usually accompanied by the greatest importations and exportations?

Mr. STIRLING. I do not know about that.

1027 THE ROOKERY,
Chicago, October 2, 1893.

DEAR SIR: When I had the honor of appearing before your committee and addressing you on the subject of the tariff as related to the iron and steel industries, questions were put to me which I could only answer approximately from memory. Having now looked up the statistics that I compiled early in 1888, and which I had in mind when answering the questions referred to, and believing that it will interest you and the members of your committee to receive specific statements, I beg to submit the following figures, which are taken from memoranda and letters in my possession:

Comparative wages paid in Connellsville coal region, Pennsylvania, and in the coal mines of Lanarkshire, Scotland, Scotch rates being reduced to American currency; years 1887–'88.

	Connellsville.	Lanarkshire.
Miners.....per day...	$1.95 to $2.19	$1.08 to $1.26
Drivers.....do....	1.90 2.20	.60
Blacksmiths.....	2.50	.96

Comparative wages paid in United States and Lanarkshire coal mines.

	Wilmington, Ill., 1893 (3-foot vein.)	Danville, Ill., 1893 (6-foot vein).	Scotland, 1888.
Miners' (paid by the ton) average earnings..per day..	$2.28	$2.12	$1.09
Engineers.....do....	2.00 to 2.50	2.50 to 3.00	.91
Trackmen, timbermen, roadmen, etc.....do....	1.80 2.25	2.00 2.50	$1.03 to 1.09
Drivers.....	1.50	2.00	.48 .91

RAILROAD LABOR.

	Chicago.	Scotland.
Locomotive engineers—		
Passenger.....per month..	$145.00	$36.00 to $51.00
Freight.....do..	125.00	32.00 48.00
Switchmen.....do..	70.00	22.06 26.34
Section foremen.....do..	45.00 to $55.00	22.00 26.00
Section hands.....per day..	1.10 1.25	.69 .75
Blacksmiths.....per hour..	.27½	.10½ .15½
Boiler-makers.....per day..	2.75	.81 1.31
Helpers.....do..	1.35	.58
Apprentices.....do..	1.00	.20
Painters.....do..	2.25	1.13 1.31

Mr. J. S. Jeans, secretary of the British Iron and Steel Institute, in his book on "Railway Problem," confirms the above figures, for he says that in Belgium, Germany, Switzerland, and France the earnings of the different grades of railroad labor vary from about $14 to $38 per month, a great majority being less than $20.

Blast furnace labor.

	Chicago.	At a Cumberland seaport (England).	Newcastle (England).	Glasgow (Scotland).
Top fillers.....	$2.40	$1.13	$1.71	$1.09
Bottom fillers.....	2.10	1.13	1.19	0.97
Cinder loaders.....	1.68	0.85	1.00	.....
Blast engineer.....	3.25	1.09	1.27	.....
General labor.....	1.68	0.77	$0.81 to 0.97	$0.57 to 0.69

The rates named above refer to the years 1887–'88. Inquiry shows that the rates paid for railroad labor on lines running into Chicago at the present time do not vary materially from the rates given herein. I am not informed as to what change in wages may have been made abroad.

In steel plants I have the figures for 1888, covering a converting mill and rail mill at Sheffield, England. The comparative rates that I give are based upon an average run at the works of my company in Chicago, in 1892. The English rates are for a day of 10 hours, the Chicago rates are mostly for a day of 8 hours.

CONVERTING MILL.

	Chicago.	Sheffield.
Ladlemen ..... per day ..	$6.88	$2.43
Pitmen ..... do. ..	7.56	1.94
Runners ..... do ..	4.40	1.46
Iron cupolas ..... do. ..	8.25	2.91
Iron stockers ..... do. ..	4.00	1.46
Locomotive engineer ..... do. ..	3.00	1.94
Common labor ..... per hour ..	.15	.11

RAIL MILL.

Heaters ..... per day ..	$6.65	$2.91
Helpers ..... do ..	4.48	1.94
Levermen ..... do ..	5.58	1.94
Cold straighteners ..... do ..	5.10	1.94
Helpers ..... do ..	3.40	1.21
Gagger ..... do ..	1.75	1.21
Drillers ..... do ..	4.38	1.46
Table engineer ..... do ..	3.25	2.43

Referring to the point that I raised, that the cost of transportation—owing to the rates of wages paid upon our railroads and lakes, and owing to the distances from which the raw materials have to be brought together—raised our cost and necessitated adequate protection, I find that Mr. J. S. Jeans in his book entitled "Steel, its History, Manufacture and Uses" shows that in eight different iron and steel manufacturing localities in Great Britain, at which five-sixths of all the iron and steel in Great Britain are manufactured, the approximate cost of conveying the raw materials required for making one ton of pig iron varied from a minimum of $1.22 to a maximum of $3.89 *per ton of* PIG IRON manufactured.

In our case the assembling of the same raw materials on cars in our mill yard costs us not less than $5.81 per ton of pig iron amounting, as you will see, to *49 per cent more* than the highest cost in Great Britain, or to *376 per eent more* than the lowest, an amount that I believe you will readily admit is a very serious factor in the cost of manufacture.

Yours, truly,

W. R. STIRLING,
First Vice-President, Illinois Steel Company.

IRON AND STEEL.

Schedule C.

STATEMENT OF JOHN LAMBERT, VICE-PRESIDENT OF THE CONSOLIDATED STEEL AND IRON COMPANY, JOLIET, ILL.

Mr. CHAIRMAN: You have been listening for several hours to a full and complete statement of the iron and steel industry and it seems to me unnecessary for me to say much on the subject. I think it has been very fully answered. Indeed, most of the argument that I had prepared to make has been so fully covered as to practically leave me without a speech.

I take it, gentlemen, that you are seriously considering the question whether there is too much protection to the iron and steel industry; whether or not the protection that is now on that industry has a tendency to increase the price of the article; and, that being the case, whether or not the present protection or duty can not be reduced. I will take up but a few moments of your time as I shall speak on but one subject. I shall undertake to show you why the duty does not increase the price of the article but, on the contrary, decreases it.

To do that I will take you back to 1883. Wire rods and billets are our raw material. In 1883, when I first engaged in manufacturing barbed wire, we imported all the rods from abroad. The average price paid for the foreign rod in New York was $62 to $65 per ton. The cost of that rod at our works in Joliet was about $68 per ton. This was at a time when we imported rods from a free-trade country. The wages which we pay to-day are the same that we paid in 1883. We have practically the same machinery in use as we had at that time. After a duty of six-tenths of a cent a pound was put on the wire rods immediately wire-rod mills were built in this country. The first one, I think, was built at Johnstown; the next one was at Worcester, Mass.; the next at Cleveland, Ohio; then one at Pittsburg; then at Beaver Falls; then at Braddock, and then at Joliet. With a duty of six-tenths of a cent a pound on wire rods in 1883, the price of the domestic rod has gradually gone down until to-day we can get the same rod and a better one at home, or in Joliet, for $30 a ton, compared with the rod in 1883, which was bought abroad at $68. I submit that when the duty of six-tenths of a cent a pound was placed on wire rods it had the tendency to decrease the cost of wire rods rather than increase it. Suppose the duty of six-tenths of a cent a pound had not been placed on wire rods, would we not be paying the same price we paid in 1883?

In 1883 barbed wire, produced from a foreign rod, was selling at 8 to 10 cents a pound; it is selling to-day, made from domestic material, at 2½ cents. We can not go much lower; we have got pretty near to the bottom.

If it is a question of raising a revenue, then you must necessarily reduce the price of the article to a point where importation can be made. How low will you have to go? You would have to put it exactly where it was in 1883. We would then have free raw material, closed mills, and would have to set our idle working men to raising wheat, corn, and oats, as they did years ago when wheat was burned for fuel out in Nebraska. If you want to keep the American market for the benefit of the American workmen, why share it with the foreign manufacturer? Our tariff laws at present are so nicely adjusted that

the American manufacturer has complete control of the home market, and at the same time is able to compete in all countries with his foreign competitors.

As an illustration, I will say that we can import rods, get a rebate of 99 per cent of the duty, and put our product in the markets of the world. We would prefer to have our home market and let the foreigners have the markets of the world. After our present tariff law was passed we had a fair chance in the markets of the world. I may state that in 1883 wire nails were sold in Cleveland and Chicago, made from a foreign rod, at 10 cents a pound. You can buy them to-day for $1.90 a keg.

Mr. GEAR. The base sizes are lower?

Mr. LAMBERT. I expect the base size would be $1.25.

Mr. BYNUM. The duty is 2 cents a pound?

Mr. LAMBERT. Yes, sir.

Mr. BYNUM. You think that it is necessary to protect you?

Mr. LAMBERT. It seems to me that that is irrelevant to the question. If the duty has reduced the cost to the figures named, not only on wire rods but on nails, and the wages have remained as they were, what is the use of reducing the duty?

Mr. BYNUM. What harm would it do if it were reduced?

Mr. LAMBERT. We do not know. At the present time the manufactories of all kinds are being closed.

Mr. BYNUM. I am taking your own argument.

Mr. LAMBERT. There are two ways of looking at that. One way of looking at it is this, Is it the intention and desire to divide with our foreign competitor? I say that so long as protection is not abused there is no necessity for interfering with the duties.

Mr. MCMILLIN. If the import duty is now already higher than the cost of the article why can it not be interfered with?

Mr. LAMBERT. That is a question of nails, which are 4 cents a pound.

Mr. MCMILLIN. I was asking about nails.

Mr. LAMBERT. There is no disguising the fact that nails would not be imported, if the duties were largely decreased. But if the duty cuts no figure in the cost, what is the necessity of reducing it?

Mr. MCMILLIN. It is to prevent a possible abuse.

Mr. LAMBERT. I have shown you that while the rate is 4 cents a pound we have reduced the cost of wire nails down to $1.90.

Mr. MCMILLIN. The cost of wire nails has fallen all over the world. It is the lowest in this country.

Mr. LAMBERT. I think that is possibly true.

Mr. MCMILLIN. Do you not know it is?

Mr. LAMBERT. No.

Mr. MCMILLIN. Well, it is true.

Mr. LAMBERT. I think that, had it not been for the duty imposed on wire rods, they would be selling as high to-day in the United States as they were in 1883. It is strange that the foreign manufacturer is so anxious to get to our country and wants us to reduce the duty sufficiently to enable him to do so. If he is a philanthropist to-day why was he not so in 1883? If he can sell them to-day he certainly could have done it in 1883; but he did not.

Mr. BYNUM. Thirty dollars now will buy as much of the farmer's product as $68 would buy then. The general reduction in prices goes hand in hand with the reduction of the price of rods.

Mr. LAMBERT. Not to such an extent as that.

The CHAIRMAN. This business of making wire nails is a new industry.
Mr. LAMBERT. It is about about twelve or fifteen years old.
The CHAIRMAN. It is new all over the world.
Mr. LAMBERT. It is old in Germany.
The CHAIRMAN. It was a hand industry in Germany.
Mr. LAMBERT. No; the first machines used in this country for making wire nails were imported from Germany.
The CHAIRMAN. Has there been any improvement in the machines since 1883?
Mr. LAMBERT. In America there has been.
The CHAIRMAN. The cheapening of the price of wire nails has been because the machines have improved, perhaps?
Mr. LAMBERT. The industry of wire nails is in that respect the same as every other industry in this country. Just as soon as we have protection on them to give a fair return to capital as an investment just so soon brains will produce machines for cheapening the cost to the consumer.
The CHAIRMAN. As you introduce the machinery it displaces labor, in whose name you ask protection.
Mr. LAMBERT. No, sir.
The CHAIRMAN. Do you not produce a much larger amount than you did ten years ago?
Mr. LAMBERT. Yes, sir.
The CHAIRMAN. Do you employ men or boys?
Mr. LAMBERT. Men and boys, both. I would like to answer your last question before you get too far away. You asked the question whether we did not displace the men on account of using machinery. That is true. Ten years ago we employed 75 men in making wire nails, whereas to day we employ 1,100.
The CHAIRMAN. Seventy-five men can make more nails now than 75 men could ten years ago?
Mr. LAMBERT. Yes, sir.
The CHAIRMAN. It is because you have improved the machinery with which they work. That machinery is used all over the world to-day,
Mr. LAMBERT. It is used more in the United States than abroad. The farmers get their material cheaper.
The CHAIRMAN. Is not the farmer expected to share in the progress of industries?
Ma. LAMBERT. He does share in them, and he gets his full share.
The CHAIRMAN. You started out with the proposition that a tariff duty decreased prices to the consumer.
Mr. LAMBERT. I made that statement. I said in our line.
The CHAIRMAN. Does it not operate in other lines?
Mr. LAMBERT. I came down here in the interest of wire rods and wire nails.
The CHAIRMAN. I want to know whether the increased duty on wool had any effect on the price of wool?
Mr. LAMBERT. As the wool men are to be heard, I presume they will be able to come and state their own case better than I can.
The CHAIRMAN. I want to read a report of the McKinley bill made by Maj. McKinley:

> We do not believe that our people, already suffering from high prices, can help being satisfied with legislation which will result in lower prices.

Do you suppose that anything which will increase the duty on articles will lower the price?

Mr. PAYNE (interposing). Perhaps it would be edifying if you read the whole report.

Mr. BYNUM. It is very clear so far as it goes.

Mr. LAMBERT. I think I can answer the question without hearing any more of it. No matter what the intention was the fact remains that it did do it.

The CHAIRMAN. I want to get the theory of this tariff question. Sometimes it is said the duties increase the price, and sometimes it is said they decrease the price. Your peculiar position is that it lowers the price to the consumer, which I am very glad to hear.

Mr. LAMBERT. It does in our article.

Mr. TURNER. Then, why do you want to maintain the protection?

Mr. LAMBERT. If it has reduced the price of the article, then what is the use of repealing it?

Mr. MCMILLIN. If, as you claim, the increased duty decreases the price of the article, how does it follow that by reason of an increase of the duty you are able to give the higher rate of wages to your labor?

Mr. LAMBERT. I will say in answer to that that practically our wage scale has not been changed from 1883 up to the present time. It costs more per hundred than it did ten years ago, but by our increased capacity and better machinery we may reduce the price per hundred to the men, but the number of hundred pounds or tons net which is produced is equivalent to an increase of wages.

Mr. MCMILLIN. Then you do not insist that an increase of the rate of duty enables you to increase the wages of your workmen at the same time?

Mr. LAMBERT. Most assuredly I do.

Mr. MCMILLIN. At the same time you increase wages of labor and decrease the cost to the consumer?

Mr. LAMBERT. That is what I say, and that is the fact. Now, had it not been that a duty was put on wire rods we never should have engaged in the business of barbed wire and wire nails. The 6,000 men in our works would have had to look for work in some other line if that protection had never been given, for certainly they would never have had employment in the iron and steel industry.

Mr. MCMILLIN. In what line of business are you engaged?

Mr. LAMBERT. We are engaged in making wire nails and barbed wire; to some extent we are engaged in making wire rods. We have two mills; one in Braddock and one in Allentown. The rate of wages paid in 1883 was based on what we could afford to pay at that time for that class of manufacture in common with other lines of steel. While the cost of the finished product to the consumer has diminished from 1883 to 1893, an increased capacity and improved machinery has allowed us to retain the same scale of wages which we had in 1883.

Mr. MCMILLIN. It is the increased efficiency of machinery that sustains you and not the protective duty?

Mr. REED. I would like to ask a question bearing upon that point. Were these improved machines invented by our people?

Mr. LAMBERT. In every case.

Mr. REED. Would they have been invented if there had not been any nail mills?

Mr. LAMBERT. Certainly not.

Mr. REED. This improved machinery is the result of the establishment of the mills?

Mr. LAMBERT. Yes, sir.

Mr. REED. Could the mills have been established without a tariff?
Mr. LAMBERT. Most certainly not.
Mr. REED. Then the invention of the machinery is owing to the mills; the establishment of the mills is owing to the tariff, and therefore the increased efficiency of the machines is due to the tariff in a general way?
Mr. LAMBERT. Most certainly.
The CHAIRMAN. Is it a fact that your men are making the same wages?
Mr. LAMBERT. Yes, sir.
The CHAIRMAN. And it is the fact that you make a cheaper product?
Mr. LAMBERT. Yes, sir.
The CHAIRMAN. Is it not a fact that in a great many other industries they have not only increased wages but have reduced the price of the product?
Mr. LAMBERT. Yes, sir; but I am speaking particularly of our own line.
The CHAIRMAN. That is a fact, paradoxical as it may seem—cheapened the product and at the same time raised wages?
Mr. LAMBERT. Yes, sir.
Mr. BYNUM. The patent laws have protected inventions in this country, and that has been an inducement.
Mr. LAMBERT. There would have been no inducement for invention were there no machines used in the mills.
Mr. REED. That is the point I wanted to make.
Mr. BYNUM. The inducement was because of the high prices.
Mr. LAMBERT. The inducement was because of the demand.
Mr. BYNUM. You said the price was high; that was an inducement, was it not?
Mr. LAMBERT. The American people are so smart that they always know just what their neighbors are doing. If they find John Jones is engaged in a business that is making money, somebody else wants to go into it. The result is that capital seeks an investment there. The last man to go into a business wants the best machines, so that he can compete with his neighbors.
Mr. BYNUM. You are too voluminous in your answers. You said the effect of protection was an inducement to make machines, and the machines reduced the price of production one-fifth on wire nails. Our people are able to manufacture nails in competition with any country.
Mr. LAMBERT. If you are after the best information I can give, I will give it to you; but if you are not, I can not give it to you. The tariff was an inducement to us to manufacture. After we commenced manufacturing the next inducement was to get the best possible machinery. We have gone on from stage to stage until we have got the best machinery, and it is all on account of having the inducement to manufacture in the first place.
The CHAIRMAN. It never happens in this country that invention of itself is an inducement to manufacture?
Mr. LAMBERT. Oh, yes.
The CHAIRMAN. How can you say, then, that there must be existing industries before the people will go into inventions?
Mr. LAMBERT. I am speaking more particularly of our line of business.
The CHAIRMAN. I presume that you can find a great many industries where the cause of their establishment was invention.

Mr. REED. That has no relation to industries already in existence, which is the question under discussion.

Mr. BRECKINRIDGE. Do you export?

Mr. LAMBERT. To some extent.

Mr. BRECKINRIDGE. What do you export?

Mr. LAMBERT. Barbed wire and wire nails—principally barbed wire.

Mr. BRECKINRIDGE. To what countries?

Mr. LAMBERT. South Africa, South America, Mexico, and some to Brazil.

Mr. BRECKINRIDGE. Do you do some exporting business under these reciprocity treaties which have been negotiated?

Mr. LAMBERT. Yes, sir; I think we got into Cuba under those.

Mr. BRECKINRIDGE. And you export a good deal to other countries also?

Mr. LAMBERT. Our export business is small compared with our domestic business. We export probably in a year 6,000 or 7,000 tons all told of wire nails, while the domestic production is over 200,000 tons.

Mr. BRECKINRIDGE. To what country do you export wire nails?

Mr. LAMBERT. I can not give you the information, but I wish I could.

Mr. BRECKINRIDGE. Do you export any to Europe?

Mr. LAMBERT. No, sir.

Mr. BRECKINRIDGE. Do you export any to Australia?

Mr. LAMBERT. No, sir.

Mr. BRECKINRIDGE. Do you export any to Africa?

Mr. LAMBERT. I am not positive as to wire nails; but we export barbed wire to Africa.

Mr. BRECKINRIDGE. Do you export 6,000 or 7,000 tons of wire nails?

Mr. LAMBERT. Our exports of wire nails do not amount to much.

Mr. BRECKINRIDGE. Your export of all, you say, is 6,000 or 7,000 tons?

Mr. LAMBERT. Six or seven thousand tons altogether.

Mr. BRECKINRIDGE. Your sales are profitable to you, are they not?

Mr. LAMBERT. They are not quite as profitable as we would like; but when we have a surplus we must dispose of it. It depends somewhat upon the quantity that we make. If we can clear on our product at home we are willing to do it.

Mr. BRECKINRIDGE. You do not export at a loss?

Mr. LAMBERT. No, sir; it is much easier to make a combination with a maker of wire nails and barbed wire abroad, or to form a trust in a foreign country, than it is in the United States of America.

Mr. BRECKINRIDGE. Why is that?

Mr. LAMBERT. Because abroad there are very few makers. There are few in England, but none in Germany, and only one or two in France. They are always anxious to get as much as they can abroad, and once there was a combination formed in order to put up prices. We were not a member of that trust, because we could ship in there at lower prices than they could, and could undersell them.

Mr. GEAR. How much have you reduced the price of fence wire within the last year?

Mr. LAMBERT. From 10 cents down to 2¼ cents. We can sell any quantity at $2 a hundred.

Mr. GEAR. If I recollect, nail machines were first introduced into this country from Germany?

Mr. LAMBERT. Yes, sir.

Mr. GEAR. We now make in this country better machines. The American inventive genius has developed better machines than the German ones?

Mr. LAMBERT. All we have to do is to see a thing, and we can beat anything they can get up. We have one machine in New York that will make nearly four times as many nails as the best foreign machine.

Mr. BRECKINRIDGE. What is the duty on nails?

Mr. LAMBERT. About 2 cents. It is the same as on wire.

Mr. BRECKINRIDGE. What is the lowest paid price for nails?

Mr. LAMBERT. Sixties have been as low as $1.25 at Beaver Falls and Pittsburg.

Mr. BRECKINRIDGE. What is the average?

Mr. LAMBERT. About $1.90 a keg.

Mr. GEAR. The largest consumption, I suppose, is of 8's and 10's?

Mr. LAMBERT. Yes, sir; 8's, 10's, 20's, and 30's. The concern which I represent has five mills, one in St. Louis, one in Joliet, one in Lockport, one in Braddock, and one at Allentown, Pa. We employ in those five mills nearly 5,000 men. To-day our mills are closed and have been since about the 15th of July. Those men are out of employment in all lines and there is nothing left for them to do. The question with us is, how soon are those men going to be put to work? As things stand to-day we do not know when that will be.

Mr. GEAR. Does the question of the revision of the tariff enter into that as a factor?

Mr. LAMBERT. It is perfectly impossible to make sales until we know what is going to be done with the tariff. The farmers of the Northwest have been told that the tariff is a robbery. They think it ought to be repealed. No matter how cheap prices may be, it is human nature to want them cheaper. Every man who is dependent upon his earnings wants to know what is going to be done. At the same time hundreds of thousands of men are out of employment and will be until this question is disposed of. Inasmuch as it is experimental I do not think it is wise at this time to attempt to do anything with the tariff.

Our industries are paralyzed at the present time. Gentlemen, I honestly believe that it is the fear of tariff legislation to-day that is disturbing the business and keeping closed the iron and steel industries of this country. If it were known to-day that there would be no tariff bill passed, I think that before the first of next January every mill in this country would be at work and would be prosperous.

Mr. BYNUM. Then it would be better for them to have been left where they were before?

Mr. LAMBERT. I think so.

The CHAIRMAN. I want to know whether these various inventions and improved methods of making wire rods and nails were made by mechanics in your mills?

Mr. LAMBERT. Yes, sir. All our own improvements have been made in this way.

IRON AND STEEL.

(Schedule C.)

STATEMENT OF MR. THOMAS SEDDON, OF BIRMINGHAM, ALA.

Mr. CHAIRMAN: I would say that I was absent when this meeting was called. The notice is so short that I am totally unable to make any speech. As a representative of the Birmingham district I want to say that we appeal earnestly to this committee and to Congress to postpone any action on the tariff at the present time, because of the terribly unsettled condition of the country, and especially of our district. We are more unfortunately situated than the districts of the North. About 80 per cent of our laborers are negroes. They are thriftless and have not a day's ration ahead. We have not been able to give them more than one or two days' work in a week, and they are almost at the point of starvation. Our own company is running two furnaces out of four, and the output of coal has been reduced to 15 tons.

I would be glad to answer any questions in relation to the production of iron, or give you any information about our district. I want to make an urgent appeal, especially, against the reduction of ore. If you make ore free, in my judgment, it would ruin a new industry in Alabama and Tennessee. Our great need now is a market. Our iron has to be transported a great distance. It is sold all over the United States from Maine to California. We have been making pig iron. We have no credit to sustain ourselves, and money is very difficult to get.

Mr. MCMILLIN. What is the cost of making pig iron in your section?

Mr. SEDDON. That depends very much upon how your accounts are kept. It would be my rough judgment that it costs in the Birmingham district about an average. It would be more or less of a guess. I do not carry the figures in my mind in detail, although I would be very glad to furnish them.

Mr. MCMILLIN. I have always presumed that it could be made there very cheaply.

Mr. SEDDON. I should say that $9 would be an average.

Mr. MCMILLIN. There are other furnaces there, I suppose, that could make it for less?

Mr. SEDDON. Yes, sir; I expect so, without counting interest on the plant, the capital invested, or anything of that kind.

The CHAIRMAN. At the prices you have given it could be made there cheaper than anywhere in the world?

Mr. SEDDON. No; I don't know about that.

The CHAIRMAN. It can be made as cheaply as in England?

Mr. SEDDON. When we are bragging we say we can make it as cheap as anywhere. I am aware that this is strictly true, if you go by the selling price. We sell it within 50 cents a ton of the English price. Our great drawback is our long haul. We are influenced in our industry by our lack of proximity to the market. It is a good deal like a young couple getting married and going out in the woods, and after they have spent everything they have they begin to look around for a market for their product. [Laughter.] We have got to make a market for our product, and it is a new home industry. We are obliged to get money to put into it.

The CHAIRMAN. I understood you to say that you are idle now?

Mr. SEDDON. We are mostly idle.

The CHAIRMAN. Is not the pig-iron trade picking up now?

Mr. SEDDON. No, sir.

The CHAIRMAN. I have a copy of Bradstreet's before me, and it says the iron trade has been active, stocks low, and for pig iron good prices are asked.

Mr. SEDDON. We might as well ask them, for we have no market for them. [Laughter.]

The CHAIRMAN. It says there is an active trade in groceries, hardware, and pig iron in St. Louis.

Mr. SEDDON. We have not felt it.

Mr. BYNUM. Perhaps it is a want of reform in the tariff.

Mr. SEDDON. If we had what you call "reform" then we would never have a chance.

IRON AND STEEL.

(Schedule C.)

STATEMENT OF MR. G. M. LAUGHLIN, IRON AND STEEL MANUFACTURER, OF THE FIRM OF JONES & LAUGHLIN, PITTSBURG, PA.

Mr. CHAIRMAN: I came here not with the intention of having anything to say, but simply and wholly in the light of what I thought was my duty, to aid merely by swelling the proof of what the others say here to-day, and to aid in any way I could in whatever conferences the other gentlemen may desire to hold.

Not being accustomed to public speaking, or appearing before Congressional bodies, I feel considerable embarrassment, and I desire only to say that I was called merely because I was the only gentleman present representing the iron and steel business of Pittsburg. I did not come prepared with statements or tabulated facts, and have not well arranged in my mind the facts by which I could enlighten you gentlemen. I am inclined to think it would be unnecessary, as the ground has been so thoroughly gone over here and on other similar occasions that it would seem as though you were generally informed on the question as it affects not only the manufacturers, but the public at large.

My private judgment in regard to the tariff question is that the manufacturing interest suffers in these changes of the policy of the Government in common with the remainder of the community—no more, no less—if anything, it is less than the outside public. I believe the tariff, in the judgment of any reasonable man, is justified on the plane of the greatest good to the greatest number; and my judgment is that the manufacturer is less interested in the question than any other citizen in this country. I have no doubt that the present depressing and deplorable condition of every branch of industry and trade is most largely, perhaps, accounted for by the uncertainty as to future legislation in regard to these industrial questions.

In regard to our own business it is in a wretched condition. The concern with which I am connected and which I represent here is a very large one, employing a comparatively large number of men. We

have been struggling along for the last two months endeavoring to keep our men employed. We have succeeded partially, and are trying to do the best we can; but it is with no encouragement or prospect of future encouragement to ourselves or our employés. The outlook is for a dull, dreary, idle winter, and we are making every effort we can to keep our establishment going. We have thus far succeeded in keeping at work about 60 per cent of the men which are usually employed. Our product is costing us more than it ought to, and we can not continue to keep our works going unless there is a change brought about by something, I do not know what. The prospect is that what little we are doing we must stop in order to cut off expenses and to save ourselves. I do not know that I can say anything further. I would be very glad, and perfectly willing, to answer any questions which any gentleman of the committee may desire to ask, if I can do so with satisfaction to myself. If my knowledge is such that I can give the information I will be very glad to give it.

Mr. BRECKINRIDGE. I see, through the public press, that a great many men in your district have recently been returned to employment—perhaps 25,000. I believe these people lost their work, principally, within the last sixty or ninety days, did they not?

Mr. LAUGHLIN. Yes, sir.

Mr. BRECKINRIDGE. And in a great measure have they now been restored to work?

Mr. LAUGHLIN. I ought to say, perhaps, that that information, to a large extent, is erroneous. It is, no doubt, caused by the fact that the newspapers are very active and energetic in reporting the news. As an illustration, I will say that I was talking to a reporter about the condition of our own business—as I told you, that we were running on short time, and would start one mill out of several that we have—and every time we start or stop a mill the newspapers publish that we have started or stopped our works. I regret to say, that the newspaper information in that way is generally wrong. I do not think there has been anything like 25,000 men returned to work recently in the Pittsburg district.

Mr. BRECKINRIDGE. You do not consider that the condition of the unemployed is materially improved in your district?

Mr. LAUGHLIN. I think possibly that there has been some improvement which has been brought about by the extraordinary efforts made on the part of manufacturers to make a start in the hope that the mere starting will help trade. There has been no encouragement, and, really, the other works are running, no doubt, as ours have been, at a very great cost to the proprietors and manufacturers. We had better have been entirely idle for the last two months than to have been running as we have been.

Mr. BRECKINRIDGE. There has been a considerable improvement, but not as much as the newspapers indicate?

Mr. LAUGHLIN. No, sir.

Mr. REED. Do you mean to say that there has been a considerable improvement?

Mr. LAUGHLIN. I do not think there has been any improvement in the number of men employed in Pittsburg recently. There has only been an apparent improvement.

Mr. REED. It is an important matter in your business, I suppose, to keep your plant going?

Mr. LAUGHLIN. It is a desirable and necessary thing to keep our

organization up, and to keep our men from going away; for this reason I say we had better have been stopped than to be running as we have been in the last two months. A part of our necessary expenses is going on whether we are running or stopped; therefore I say the present mode of running is worse than complete stoppage.

Mr. REED. If it were not for the injury done your mills you would not be stopped?

Mr. LAUGHLIN. No, sir; we would be running to-day.

Mr. REED. So the idea that business is reviving is not a correct idea?

Mr. LAUGHLIN. No, sir.

Mr. DALZELL. What has been true of your mills has been true through Allegheny County?

Mr. LAUGHLIN. I should say so.

Mr. DALZELL. They have been stopped and started spasmodically?

Mr. LAUGHLIN. I do not know a single concern which has been running more than a week in the last six weeks.

Mr. DALZELL. Is that not true in respect to Braddock, Duquesne, and Pittsburgh?

Mr. LAUGHLIN. Yes, sir. I do not believe there is a mill engaged in iron and steel which has been running entirely an average of three days a week.

Mr. DALZELL. Do you attribute that to an apprehension as to tariff changes?

Mr. LAUGHLIN. There is such a condition existing in the iron and steel business to-day as I have never seen before. In my business experience I have been through a number of panics, and I have never in any one of them seen such a condition that we could not run our works at some price or on some time. To-day we can not. From that I am forced to the conclusion that it is not simply a question of money, because I have been through worse financial panics than this.

Mr. GEAR. How many men are now employed by your firm of Jones & Laughlin?

Mr. LAUGHLIN. About 60 per cent.

Mr. GEAR. With short time?

Mr. LAUGHLIN. Our rolling-mills and steel works are not running an average of 2½ days a week.

Mr. GEAR. You are not running more than one-fourth of your force, then?

Mr. LAUGHLIN. No, sir.

Mr. BRECKINRIDGE. This depression was precipitated upon you quite suddenly, was it not?

Mr. LAUGHLIN. So far as absolute paralysis was concerned, it was sudden; but there had been a gradual decline in trade in our line, I should say, from about the 1st of January last. We noticed the decline in the demand for our product, and the difficulty in making sales and finding a demand sufficient to keep our mills going fully. That condition continued until money began to get tight, and then the absolute collapse came.

Mr. BRECKINRIDGE. Have your mills been entirely shut down at any time?

Mr. LAUGHLIN. Yes; our mills are a great deal of a conglomerate. We make iron and steel in all its phases. We have quite a number of different finishing departments where we consume a large amount of the products of iron and steel that we produce. We have been able to

run our finishing department to a greater extent, and more regularly, than our iron and steel departments; but everything has been subject to great interruption. We have been compelled to lay off men in every department.

Mr. BRECKINRIDGE. What has been approximately the smallest percentage of men employed by you in the recent past?

Mr. LAUGHLIN. I could not answer that exactly. For days together we have not employed any of our rolling-mills nor our iron and steel works. We stopped entirely, with the exception of the watchmen and foremen and the salaried men who are paid by the year, whether the mills are running or not; and there have been many days, some even in almost every week, when they were entirely stopped. This statement I have made as to running about 60 per cent of our works was an average.

Mr. GEAR. You do not run that percentage on full time?

Mr. BRECKINRIDGE. When was that condition most acute? At what time did you have most unemployed men?

Mr. LAUGHLIN. I should say we have the most at this time.

Mr. BRECKINRIDGE. When did that begin?

Mr. LAUGHLIN. I do not know that I can distinguish as to the shades of idleness of our mills.

Mr. BRECKINRIDGE. Were you as badly off in June as you were in July?

Mr. LAUGHLIN. No, sir.

Mr. BRECKINRIDGE. Were you as badly off in July as in August?

Mr. LAUGHLIN. I should say it would depend pretty much on the same condition of affairs. To fix a time without knowing absolutely, I should say the 1st of July. Our trade had been gradually dropping off until about the 1st of July, when our wages scale was to be adjusted with our men.

Mr. BRECKINRIDGE. I asked the question simply as to time. Did you not find along during this period of depression that your collections were poor?

Mr. LAUGHLIN. Undoubtedly. Since this financial trouble began in the country we found it more difficult to make collections.

Mr. BRECKINRIDGE. You found difficulty in getting such accommodations at the banks as you might need in your business?

Mr. LAUGHLIN. Yes, sir.

Mr. BRECKINRIDGE. You say you had difficulty in June and July in making collections and getting satisfactory credit at the banks to carry on your business affairs. Do you attribute that to the impending tariff legislation?

Mr. LAUGHLIN. I consider that was a large factor in the difficulty of doing business. I had considered that question a long time, and had only been able to attribute this falling off in our branch of business prior to this difficulty in financial affairs and the disorganization of all kinds of industry to the prospect of a readjustment of tariff duties.

Mr. BRECKINRIDGE. Do you think that was the cause of the inability of your customers to meet their paper?

Mr. LAUGHLIN. No, sir; I do not think it was, but it made them curtail their orders.

Mr. BRECKINRIDGE. It did not affect their payment?

Mr. LAUGHLIN. I do not think it did.

Mr. BRECKINRIDGE. Do you think it affected the willingness of the banks to extend conditions in the usual way?

Mr. LAUGHLIN. I do not think it did for the reason that fortunately there was no necessity for us to make any inquiries of that kind.

Mr. BRECKINRIDGE. Were you able to get your deposits out of the banks?

Mr. LAUGHLIN. We got all we wanted.

Mr. BRECKINRIDGE. You said there was a general curtailment of commercial credit, I believe, all over the country?

Mr. LAUGHLIN. Yes, sir.

Mr. BRECKINRIDGE. Do you think that the unwillingness of the banks to discount commercial paper was due to the dread of tariff changes?

Mr. LAUGHILIN. Of course; I think it was a factor in the general problem and condition of affairs. I do not say, however, as to that question that I can answer beyond speculating on it just as anybody else would. I formed a judgment a long time ago about it. I thought that that was one of the factors in the changed condition of the prosperity of the country. I noticed that thing, as I had a right to do and as every business man ought to do. I endeavor to acquaint myself with everything that I think will affect the prosperity of the business in which I am engaged. I study the effect of such things closely and after doing that I came to that conclusion. I came to the conclusion a long time ago that that would be the natural effect upon the prosperity of the country and the prospect of its being injured. It does seem to me that that is a natural and inevitable effect and it is unfortunate that it should be so. I for one would like to see the country maintain stability long enough to allow it to get settled and to discover the effects of a tariff policy. We have been subjected to so many and to such rapid changes that it seems to me the country is kept in a turmoil all the time.

Mr. BYNUM. The changes have always been upward.

Mr. LAUGHLIN. No, sir; the last one made, so far as my particular line of business is concerned, is the reverse of protection. On almost everything that we make there was a change in the rates of the McKinley bill, so far as I understand it, which had the effect to reduce the duties. I think it would be safe for me to make the statement that everything in the bill affecting our business was reduced rather than increased.

Mr. BRECKINRIDGE. Do you mean everything in the iron and steel schedule?

Mr. LAUGHLIN. Yes, sir; those schedules were all reduced.

Mr. DALZELL. You have a general knowledge of this industry in the Shenango and Mahoning valleys?

Mr. LAUGHLIN. Yes, sir.

Mr. DALZELL. Does the same condition exist there that exists in the Monongahela Valley?

Mr. LAUGHLIN. I think so, and to a greater extent.

Mr. GEAR. You manufacture a variety of productions?

Mr. LAUGHLIN. Yes, sir.

Mr. GEAR. You take orders in advance?

Mr. LAUGHLIN. Yes, sir; we have to.

Mr. GEAR. Were your orders about current with former times up to June?

Mr. LAUGHLIN. We had a very steady trade in all lines up to about the first of the year.

Mr. GEAR. Your main business is running on orders, which are com-

ing in all the time from all parts of the country, but you are not getting them now?

Mr. LAUGHLIN. It seems impossible.

Mr. BURROWS. Have you been crippled by want of means or by want of orders for your goods?

Mr. LAUGHLIN. For want of orders.

The CHAIRMAN. In the line of goods that you produce is the capacity in this country for production in excess of the home demand?

Mr. LAUGHLIN. Just now there is no demand.

The CHAIRMAN. Is it generally the case?

Mr. LAUGHLIN. In my experience of almost thirty years in the iron and steel business I have never known a time when the demand and supply were as nearly balanced as they have been within the last two years. In my judgment that is the only thing that has put the country in a condition to stand this financial panic as well as it has. There has been no accumulation of stocks of any kind. The margin between the cost and the selling price has been the closest that I have ever known in my experience. Consumption has been large, production has been large, and they have almost balanced each other. The result is that the stocks of merchandise now more nearly represent intrinsic value than ever before. The stocks of material in the hands of manufacturers is less than it ever has been before, and therefore, with the new condition of things which I saw, I thought it wise to sit down and wait to see what is going to be the result.

The CHAIRMAN. I had an impression that there were periods of great activity and then periods of sluggishness in the iron and steel industry. I think Mr. Stirling said that he could produce the entire amount of steel used in this country to-day. Is the production far beyond the wants of the country?

Mr. LAUGHLIN. I presume what Mr. Stirling meant to express was that at this time he could meet all the demand. I should say that small as our production is compared to our district I think we could make pig iron enough to supply our whole district.

The CHAIRMAN. After the adoption of the McKinley bill, which went into effect on the 6th of October, 1890, Mr. Swank, in his report following the year 1891, speaking of the time of the depression in the iron and steel industries, said there was a depression in 1891, and that expenses in that year were confined to the strictest necessities, and that assessments were as light as possible.

Mr. LAUGHLIN. He meant so far as the price was concerned. The price was low and prices got better in 1892 and the price has been a little better ever since. The demand and consumption, as I said, has been immensely large.

Mr. GEAR. The consumption was large, but the price was small?

Mr. LAUGHLIN. Yes, sir.

Mr. DALZELL. Is it not a fact that the price went down the year after the McKinley bill went into effect?

Mr. BRECKINRIDGE. What are your principal products?

Mr. LAUGHLIN. We make steel in the form of billets and we consume billets in our rolling mills. We make bar iron and light steel rails, beams, channels, structural material, and iron and steel in all its aspects. Then we have in connection with our works machine shops and foundries.

Mr. BRECKINRIDGE. Are your machine shops repair shops?

Mr. LAUGHLIN. We are prepared to make anything. We build a good deal of our machinery.

Mr. BRECKINRIDGE. Do you make steam engines?

Mr. LAUGHLIN. We build engines for our own use. We do not go into the market to sell them. We have quite a large trade in shafting and in fitting up motive power for factories of all kinds.

Mr. BRECKINRIDGE. You do a general outfitting business?

Mr. LAUGHLIN. Yes, sir.

Mr. BRECKINRIDGE. You do not export any of your goods?

Mr. LAUGHLIN. No, sir; there is nothing that we are able to export.

Mr. BYNUM. I understood you to say that last year there was no overproduction in any of your lines of business?

Mr. LAUGHLIN. I do not think there was, so far as my observation has gone.

Mr. BYNUM. I have the testimony here of Mr. Frick, given before an investigating committee in July, to which I want to call your attention. In his testimony he said there was a reduction of wages of about 15 per cent, and that there was an overproduction of billets. Was it not the largely decreased price of billets that caused the reduction in the wages of the workingmen at Homestead, which reduction caused the strike there?

Mr. LAUGHLIN. No, sir. I think the matter of overproduction is often imagination largely in the mind of the party. When I speak of overproduction I mean the actual condition of demand and supply. An individual is apt to think that production is much greater on the part of his competitors than it actually is, and it is impossible to arrive at a correct judgment as to whether there is overproduction or underproduction, because when they are so nearly balanced a manufacturer is liable to overestimate it because of the natural desire he has to keep his works largely supplied with orders, and to keep them comfortably going. They are not satisfied to wait. They are like other people, and therefore they are apt to exaggerate existing conditions under ordinary circumstances. My judgment has been arrived at not from estimates of supply and demand, but from the actual conditions in the country.

Mr. REED. Your judgment is made up after the event?

Mr. LAUGHLIN. My judgment is made up after the event, and the judgment which reduces the prices is made up before the event. This is partially brought about by the fears of the individual himself in making his price. Of course that year's supply and demand was most evenly balanced. That has been a condition which was remarkably evident during those three years.

Mr. BYNUM. The proposition which Mr. Reed makes as regards Carnegie & Co. is a mere prediction, and there is no foundation for it.

Mr. LAUGHLIN. I do not care what the cause was that interfered with the selling price.

Mr. BYNUM. They produce billets cheaper in the Homestead institution than they do in any other in Pittsburg, I believe?

Mr. LAUGHLIN. I am not prepared to admit that; no, sir. We are in the billet business ourselves.

Mr. BYNUM. It was reported at Pittsburg that they could undersell any other industry at Pittsburg.

Mr. LAUGHLIN. They are enterprising, and possibly they do. I am not prepared to say generally, but I do not think they have a great deal of advantage over us.

Mr. BYNUM. They have sold billets down as low as $22 and also $22.50, have they not?

Mr. LAUGHLIN, Yes, sir.

The CHAIRMAN. I find by looking at Swank's report for 1892 that he says the last year was a year of good prices, few or no failures, and that sales were slow. Many failures have occurred since 1892.

Mr. LAUGHLIN. I have no desire to controvert that, and yet that may be true and the statement I have used be maintained. If you take Mr. Swank's statement in connection with production and consumption it will appear to be correct.

The CHAIRMAN. Your statement is correct from your point of view. He speaks of the whole industries of the country.

Mr. LAUGHLIN. He means the price was not satisfactory. I am prepared to agree with him perfectly that during the last three or four years the manufacturers have been producing at an infinitesimal margin of profit, and in seeking for a reason for that I have arrived at the conclusion that it was on account of the remarkable coincidence that supply and demand were so nearly and so nicely balanced that individuals at no time were able to get prices which they would like.

Mr. BRECKINRIDGE. You need a larger market?

Mr. LAUGHLIN. Sometimes we do.

Mr. BRECKINRIDGE. If the tariff will give you a better foreign market would it not improve your condition?

Mr. LAUGHLIN. That would be desirable if possible, but I do not see that it is possible. While the conditions exist it seems to be hopelessly impossible that we could expect or that we shall be able to get into the markets of the world when we need production in our own market.

Mr. BRECKINRIDGE. If you could get free raw material that would enlarge the domestic market and give you more of the foreign market?

Mr. LAUGHLIN. I think that if any manufacturer has had that expectation that he has been nursing a wrong impression.

Mr. BRECKINRIDGE. If that could be done would it not help you? If you could get a foreign market added to your business would it not improve your condition?

Mr. LAUGHLIN. I do not think it is possible. The only possible conditions under which that could be acquired would be by such a reduction of wages and costs as would enable us to get into those markets.

Mr. BRECKINRIDGE. For instance, take leather, we have large exports in leather goods and have a very satisfactory domestic market. Would not that be correspondingly true of your industry?

Mr. LAUGHLIN. I do not know anything about the leather business, and I am not able to enter into any reasonable estimate in regard to that, because I have no information in regard to the conditions existing and the question of supply and demand. There may have been enough hides in this country to supply it, and it may be necessary that hides should be admitted free to carry on that business. It is necessary to know the conditions that govern the trade.

Mr. BRECKINRIDGE. Mr. Swank says trade has been very unsatisfactory in your business.

Mr. LAUGHLIN. We have not been getting along as well as we thought we were entitled to, considering the amount of work we do and the amount of capital invested.

Mr. BRECKINRIDGE. The system of protection has not brought the price down to what you think you should enjoy?

Mr. LAUGHLIN. We have been working hard for a little profit, and we have sometimes thought we were entitled to more.

Mr. BRECKINRIDGE. This hide-bound policy has not produced the returns that you hoped for, and do you not think it would be well to loosen it up a little?

Mr. LAUGHLIN. In what way?

Mr. BRECKINRIDGE. By giving you free raw material.

Mr. LAUGHLIN. I do not think it would cheapen anything for us. We are satisfied to pay a duty on raw material that we buy.

Mr. BRECKINRIDGE. At a higher price?

Mr. LAUGHLIN. No, sir; not at a higher price than we are compelled to pay; but we believe that an article of any kind imported into this country on which there is labor expended is not raw material, but that it comes directly in competition with those industries in this country which employ and require labor in their handling and transportation, and that, even if this raw material costs a little more, the general public can get it back in the general happiness and better condition of the people than if those industries were throttled or driven out of existence.

Mr. BRECKINRIDGE. You are assuming they would be throttled?

Mr. LAUGHLIN. I know they would if the principles of free trade were carried out.

Mr. BRECKINRIDGE. You are not talking about your business but about other people's business.

Mr. LAUGHLIN. I am speaking in a general way. I do not know of a single industry that can get along without protection.

Mr. BRECKINRIDGE. Are you thoroughly familiar with all the conditions in all the protected industries?

Mr. LAUGHLIN. I am in a general way; not in a way that would enable me to answer questions of detail in regard to the costs and methods employed in their manufacturing business, but I have an ordinarily intelligent knowledge of all the industries that come under my observation.

Mr. BRECKINRIDGE. You are stating this as a general opinion?

Mr. LAUGHLIN. Yes, sir; it must be so.

Mr. BRECKINRIDGE. Your proposition is that you want to get all your materials as cheaply as possible under commercial conditions and as favorable as possible?

Mr. LAUGHLIN. Undoubtedly; that is the thing we are striving to get, and everything we buy we buy as cheap as we can with relation to our competitors and sell the product as high as the market will allow. That is the problem which we sit up nights to figure out.

IRON AND STEEL.

(Schedule C.)

STATEMENT OF CYRUS ELDER, OF THE CAMBRIA IRON COMPANY, OF JOHNSTOWN, PA.

Mr. Chairman, I know that you are worried with your long investigation. I come upon short notice, and am prepared merely to give you a few facts in regard to the situation of the industry which I represent, the Cambria Iron Company, of Johnstown, Pa. I have here some memoranda, and I will give you a few figures in detail.

Mr. Elder read the following paper:

The employés of Cambria Iron Company during the year 1893 numbered 7,616, of whom 124 were under the age of 16 years. Of this number 5,500 men at Johnstown are out of employment. The Johnson Works at Johnstown are practically closed.

The population of the city of Johnstown by recent census is 24,544. Taking in the populous contiguous territory belonging to the city, this is swelled to 36,144. There are 35 churches. The property owned by the school board is valued at $150,000. The fire department has 9 steam fire engines and hooks and ladders.

The company's property at Johnstown consists of 6 blast furnaces; open hearth and Bessemer steel works, rolling mills, shops for the manufacture of agricultural implements and other steel products, with foundries, machine shops, etc. The company has in and about its works 40 miles of railroads and 16 locomotives. It owns and operates limestone and ore mines in Blair County, 783 coke ovens in the Connellsville region, and iron mines in the State of Michigan.

The company began business in 1853, with 4 charcoal furnaces, which were soon abandoned, and a rolling mill, the original capital of the company, amounting to $1,000,000, having been sunk by the promoters.

The average of railroad building in the United States in the twenty-one years from 1867 to 1887 inclusive, was 5,414 miles. At the beginning of this period the use of steel rails was merely nominal, but in the year 1876 steel overtook and passed iron, and there was a constant increase in steel, and a constant reduction in iron until 1882, after which the use of iron rails became but nominal.

During this period there was a wave of railroad construction which culminated in 1871, in which year the average of railroad building was exceeded by 1,965 miles, and from 1872 to 1878 the figures of railroad building and prices of iron and steel compare as follows:

From 1872 to 1878 inclusive, railroad building was 15,938 miles below the average, or 2,277 miles annually. During this period iron rails steadily declined, year by year, from $85.13 in 1872 to $33.75 in 1878; steel rails declined regularly, year by year, from $112 in 1872 to $42.25 in 1878.

Taking the period now of 1878 to 1882, railroad building rose steadily from 2,785 miles below the average to 6,154 miles above the average.

The movement of prices in iron and steel rails during this period was as follows:

Steel rails rose from $42.25 in 1878 to $67.50 in 1880, and declined to $48.50 in 1882. Iron rails rose from $33.75 in 1878 to $49.25 in 1880, and declined to $45.50 in 1882. Railroad building then receded from 6,154 miles above the average in 1882 to 1,806 miles below the average in 1885. The movement in prices of iron and steel rails during this period was as follows: Steel rails steadily declined year by year from $48.50 in 1882, to $28.50 in 1885; rails were $10.75 per ton cheaper in 1883 than in 1882; they were $7 cheaper in 1884 than in 1883; and they were $2.25 cheaper in 1885 than in 1884. This shrinkage during four years was large and constant, but it was no more effective in inducing railroad building than the very great and constant shrinkage in prices from 1872 to 1878. It may be said that these statistics of prices and consumption stand mutually related to each other as cause and consequence; that it was the decline in railroad building which caused the decline in prices of rails, and that it was the increase in railroad building which caused the increase in price of rails. But the point is still clear that very large and continued decline in prices of rails, year by year, during a series of years, did not induce railroad building and did not check the decline in railroad building, and that increase of price did not check increase in railroad building. In point of fact, the price of rails is no very considerable factor in railroad building, and has not been, and can not be. Railroad building goes forward when the country is prosperous and when bonds and other securities are in demand, and this condition is only found when the iron and steel industry of the country is prosperous.

It may fairly be concluded that continued depression of the metal market tends to prevent railroad construction, and the cause is not far to see. The iron and steel trade gives to many of the railroad companies an enormous amount of traffic directly, and a still greater amount indirectly. This indirect traffic being of far-reaching and general benefit, any depression in the metal industries reacts at once upon the business of the railroads and affects the prices of stocks, bonds, and other railroad securities.

An accurate statement of the mileage of transportation of the principal materials used in the manufacture of steel rails in the year 1887 by the Cambria Iron Company, including only ores, coke, limestone, clay, and ganister, and adding to this material a safe estimate of the transportation employed in the distribution of the finished product, shows a total of 226,364,977 tons of freight moved 1 mile. This contrasts with the railroad tonnage of a number of States as follows:

Railroad haul on principal materials used by one Pennsylvania Bessemer-steel company in 1887.

	Tons.
Lake Superior ore	75,153,420
Limestone	8,901,615
Coke	20,003,902
Neighborhood ore	2,199,318
Foreign ore	1,494,600
Manganiferous iron ore	6,687,630
Arkansas ore	2,158,650
Virginia ore	108,500
Clay	194,112
Ganister	263,230
Materials moved one mile	117,164,977
In delivering finished product (200,000 tons, 546 miles)	109,200,000
Total	226,364,977

Comparison of freight traffic of one Pennsylvania Bessemer-steel company with that of selected States, as shown by Poor's Manual for 1886:

	Tons.
Cambria Iron Company	226,364,977
Vermont	226,958,239
Connecticut	225,276,508
Maine	176,108,517
South Carolina	126,140,374
Colorado	225,380,399
North Carolina	72,828,927
Arkansas	89,463,502
Oregon	87,838,013
Florida	49,735,047
West Virginia	47,791,962
Mississippi	28,867,722
New Hampshire	81,565,584
Rhode Island	18,688,314
Delaware	20,856,082

This exhibit of the contribution of one steel-rail manufacturing company to the railroad tonnage of the country may appear striking, yet it does not nearly tell the whole story. Depending upon this steel company in its various operations there are six mining towns and a manufacturing city, containing a population of about 30,000 souls, and all their supplies which have a railroad haul and the traffic and travel which goes along with their prosperity should be added to the statement above made, and would swell it very greatly. Multiply the figures we have given above by the large number of like steel works distributed through the country from the Atlantic seaboard to the Rocky Mountains and the magnitude of the railroad traffic which they create can be partially estimated. We say partially, because the interdependence of business is multifarious, and the incidental and collateral activities which the prosperity of these great operations call into being can not be traced or measured. To deprive the trunk lines of this traffic, which moves ores and food for workingmen from the West to the East, and fuels and metal fabrics from the East to the West, would deprive them of their efficiency. They would render less service to the farmer, and necessarily at higher cost. Instead of lowering rates of transportation cheap foreign rails would increase the cost of transportation very greatly through a decrease in railroad business, and there are lines of road which it would not pay to operate. If deprived of the business furnished by the steel companies they would be abandoned and the grass would grow over them.

A comparison of freight rates, as given by Edward Atkinson, for a period of nineteen years from 1867 to 1885, inclusive, shows that while the general tendency was in the line of reduction, and the economy to the country from this source was very great, there is only a general conformity with the reduction in the price of rails, and taken year by year there is no evidence whatever that the price of rails was any factor in fixing railroad freights. Railroad companies paid largely more for rails in 1872 than they did in 1871, and in 1873 than they did in 1871, but they were unable to charge higher rates of freight for this reason. With the price ruling in 1880 at $67.50 for steel rails and $49.25 for iron rails, the freight rate was materially less than in the year 1877, when steel rails were sold at $45.50 and iron rails at $35.25. In 1883, with steel rails ruling at $4.50 lower in price than ever before, and with low prices for

rails in the previous year, the railroad companies were able to exact a freight rate very much higher than they had received during the five previous years, in one of which the price of rails was materially higher than it had been the seven years previous to 1883.

Mr. BRECKINRIDGE. Your manganese is on the free list, I believe?

Mr. ELDER. I can not tell; I think likely it is. I was not asking for a duty on it. If the steel works were only prosperous we would get along very well, but under the present conditions I am afraid they will not be able to buy. The maintenance of these industries is a benefit, and a very large benefit, as I claim. Railroad building goes on under those circumstances whether the iron and steel industry does or not. It may be said that it is a little difficult to see how these things stand, as the railroad has already got its track down. Of course it is difficult. It is a paradox which the metaphysical mind of your chairman might be interested in, but it is a fact, and I can show you briefly what the fact is in regard to that matter. I made this investigation for the reason that Edward Atkinson, is so well known to you, and whose opinion of course will be accepted unquestioned, for he is not known to be a protectionist. I was very much interested in his explanation of the case. He had a table, and I thought it might be of interest to compare his figures, which he gave for a period of twenty-one years, with the price of iron and steel rails, and with the statistics of railroad building, so as to see the whole in a short diagram, in order to give an idea as to the relations between these things. I satisfied myself that the question of the price of steel rails is a question for the railroad company, and no one else. Nobody buys rails that I know of except the railroad company. It buys them, and that is the end of it. It does not charge off the price to anybody; it does not make any difference whether the cost of rails has been high or low. Low rails have not benefited anybody in freight rates, nor have they hurt anybody. Of course, there may have been a general fluctuation by the lines in the rates of freight, and perhaps to some extent in the building of railroads, but in the price of freight there has been a general shrinkage. If taken year by year nobody can take up this table and say that there has been a particle of influence in the price of rails.

It may be said at once because there was building of railroads the price of rails had declined. The rails of a road are a permanent investment. They are not something that is bought from day to day; they are something which lasts indefinitely. Nobody knows exactly the life of a steel rail. People do not make permanent investments on a falling market. They are not apt to. People do not sell for a rise and buy for a fall. And this question of steel rails obeys the same law. I think that the prosperity of the iron and steel business of the country is a gauge of the general prosperity. It is the thermometer.

The wire-rod business has been spoken of as furnishing an object lesson. For three years the Cambria Iron Company had in the heart of its works a rod mill that cost fully $100,000. It was a good mill, and still they were not able to operate it to make profitable wire rod, simply because under a Treasury decision wire rods were under an ad valorem duty of 35 per cent; and so, for three years, the owners of that mill were unable to make wire rods. They were obliged to go out of the wire-rod business or to go abroad to Germany and buy rods, as this wire manufactory was doing.

Mr. BRECKINRIDGE. If they had been securing billets without exorbitant duties, could they have been doing so?

Mr. ELDER. No, sir; they would have to put out two or three times as many men as the rod mill now keeps. That shows what a delicate and nice thing it is. If you are going to just try to get the American on an exact equality with the foreigner it will be utterly impossible. If you have set yourself about that task, you are going about a task such as was never imposed upon American statesmen before. If you adjust the matter so that the foreigner shall be exactly equal with your own people and your people shall not have a particle of advantage over the foreigner it is a difficult matter to do. These conditions are changing constantly, and where you think you have done perfectly well to admit the foreigner, you have at the same time put your own people at a disadvantage. That you do not wish. I would merely suggest that it is a great deal better to make this thing a little bit safe for your own people. I do not know of any country that has a fiscal policy which arranges its duties with any consideration whatever for any people but its own. I do not think they take into account whether you will be satisfied with it or whether you will not be; whether it pleases you or whether it does not. There is a tariff war abroad now. Tariffs have been spoken of openly as war, and it is war. This struggle for existence which we are all undergoing is war for existence. It has been perpetuated from the earliest times. It has existed from the earliest organization of society. It is war between nation and nation, a struggle for trade. A little while ago I read a book called "Wars of Great Britain;" and I remember that Mr. Butler predicted the adoption of free trade as being an era of universal good will; but I find that Great Britain has not been without war. She does not fight us that way, but in a different way.

IRON AND STEEL.

(Schedule C.)

AMALGAMATED ASSOCIATION OF IRON AND STEEL WORKERS.

THURSDAY, *September 14, 1893.*

Mr. GARLAND. Mr. Chairman and gentlemen of the committee: We appear before this committee to-day as representing our labor organization, and asking for the retention of the present duty on different iron and steel products. We believe it to be a matter of interest to those who work in that business. We believe that by having duties on iron and steel products it enables us to get a better price for our labor. We do not claim that the simple facts of having protection on those products gives us all we desire; but we claim and believe that through organized labor we can get a better rate of wages by having protection on those goods than if there was no protection on them. That is the reason why we ask for a retention of the present duties on those different articles. It is said that if everything was cheaper it would be satisfactory to those who work by the day, if they got lower rates of wages. This we do not believe to be a fact. We have noticed that, no matter in what country labor is employed, nor at what price it is employed, it seems to be a battle to keep wages up. We prefer to battle on a higher plane than on a lower plane. We do not expect to get our wages without combination and trying to protect our trades by

combination and prices to work by. We believe that protection allows us to get a better rate, and that the plane on which we are now working is higher than in other countries.

The CHAIRMAN. Is the Amalgamated Association composed of skilled workers in the rolling mills?

Mr. GARLAND. Yes, sir.

The CHAIRMAN. Have any of your mills in recent years broken with you, or, rather, ceased to employ members of your association and employed non-union men?

Mr. GARLAND. Yes, sir.

The CHAIRMAN. After the strike at Homestead began they employed non-union men, did they not?

Mr. GARLAND. Yes, sir.

Mr. TARSNEY. As I understand your argument, your organization helps you to get better wages, and that is one of the objects you have in organization?

Mr. GARLAND. Yes, sir; I may say in addition to that, we do not believe that protection gives better morals to some persons; but we find that many manufacturers believe that organized labor is better for them; unfortunately, some do not.

Mr. DALZELL. Your theory is, that protection enables the employer to give better wages, and you get these better wages by your organizations?

Mr. GARLAND. Yes, sir.

IRON AND STEEL.

(Schedule C.)

STATEMENT OF MR. JOHN GEARING, OF PITTSBURG.

Mr. GEARING. Mr. Chairman and gentlemen of the committee: I have no set speech to make. I am one of the committee of the Amalgamated Association, and I am engaged in the cotton tie industry. I have come here to appeal to you, gentlemen, to make no change in that tariff schedule. The establishment at which I am employed, and have been for many years, runs on that as a specialty, and there is a great deal imported of that particular commodity—cotton ties. We have now employed in that place at least a thousand men, and I think I can safely say that if there is any change to be made in that particular schedule the result will be that we will have no employment. For that reason I am here to implore you to make no change in the cotton-tie schedule.

Mr. DALZELL. Do you work at Mr. Painter's mill?

Mr. GEARING. Yes, sir.

Mr. DALZELL. Which is running exclusively on that article?

Mr. GEARING. Yes, sir; that is their specialty, or they would be doing nothing.

Mr. DALZELL. Do you know how many men are employed there?

Mr. GEARING. There are 2,000 men employed in this industry. As one of the committee, I represent here to-day over 80,000 men.

Mr. DALZELL. Prior to the passage of the McKinley bill the mill was not running?

Mr. GEARING. Prior to that the mills were shut down, and the men were walking the streets. To-day they are employed. Our people have spent money to bring that industry to perfection, and to-day I suppose the works are the most perfect in America.

Mr. BRECKINRIDGE. What is the condition of the metal when you begin to work it in your establishment?

Mr. GEARING. It is in the nature of a raw product.

Mr. BRECKINRIDGE. In what state is it when you take charge of it to make cotton ties?

Mr. GEARING. We take it from what we call the steel billet. Some time ago we used to puddle iron and make our material at the works, but now we buy it from Carnegie and Co.

Mr. BRECKINRIDGE. You start with the billet?

Mr. GEARING. Yes, sir.

Mr. BRECKINRIDGE. What is it that you do with the billet? Go on and tell us the process.

Mr. GEARING. The billet comes to us in the shape of pig or raw material. We have to cut that into shape and length and weigh it, in order to make what we want to make. It is heated and rolled, and then of course it is recut again and handled and bundled and put into bundles ready for shipment.

Mr. BRECKINRIDGE. When you cut it into strips and have it in that last condition where you roll it out into a cotton tie, how many bundles of ties will one man roll out?

Mr. GEARING. In the process of making ties there are probably 35 or 40 men and boys who handle it. It goes through those hands before it is completed and ready for market.

Mr. BRECKINRIDGE. Will you state the mode of manufacture?

Mr. GEARING. We are to-day, I think, about as far advanced in making it as any other firm in the country.

Mr. REED. How do you make it from the steel billet to the cotton tie?

Mr. GEARING. We simply heat and pass it through the rolls, and cut it to desired lengths. Then it is dipped or varnished to prevent rusting and bundled.

Mr. REED. You pass a whole billet?

Mr. GEARING. One billet will make eight cotton ties.

Mr. REED. You heat it and pass it through again and again?

Mr. GEARING. It passes through the rolls fourteen or fifteen times from the time it leaves the furnace.

Mr. REED. It is one continuous piece until cut up into cotton ties?

Mr. GEARING. Yes, sir.

Mr. GEAR. You have a gang of heaters and a gang of shearers?

Mr. GEARING. We start with the shear men, and then the heater takes it. There are four men at a furnace.

Mr. GEAR. The boys take it and straighten it?

Mr. GEARING. Yes, sir; then the roll hands take charge of it. They manipulate it through the rolls and pass it on to the shearers, who cut it, and then it is bundled and passes from this party to what we call the galvanizing department.

Mr. STEVENS. From the bloom to the finished product, how many times does it pass?

Mr. GEARING. Fourteen times.

Mr. BRECKINRIDGE. How many men will you work in running those fourteen rolls?

Mr. GEARING. We run, between men and boys, about twenty; and

when we include shearmen and bundlers, where it is tarred to keep it from rusting, it will pass through the hands of twenty-five men and boys.

Mr. BRECKINRIDGE. How many bundles of cotton ties will those men and boys turn out in a day?

Mr. GEARING. It is owing to the size of the mill. They make four hundred and ten bundles of those cotton ties for each train of rolls.

Mr. BRECKINRIDGE. That is to say, it would take twenty-five men and boys.

Mr. GEARING. It would take that number of men and boys ten hours to make four hundred and ten bundles; and when I say that, I mean that they will work ten hours and do not have time to eat. They should not do it in twelve hours.

Mr. GEAR. What size train do you use?

Mr. GEARING. We use an 8-inch train. Some use 6 and some use 10. We use 8.

Mr. GEAR. Don't you think you can work a 10-inch with greater facility?

Mr. GEARING. I do not think so. The history of the works to-day is that their output is as great as any in America on 8-inch mills. There are outside other firms making 9 and 10 inch; but they do not make it as a specialty. They do that in connection with other orders, but do not get the output that we do.

Mr. GEAR. You think an 8-inch train is best adapted?

Mr. GEARING. Yes, sir; I speak from thirty years' experience.

Mr. BURROWS. Do you know anything about the quantity of ties produced in the United States in proportion to the consumption?

Mr. GEARING. No, sir; I could not answer that question. I simply know what we make, and I have heard that from other sources, but that would not be satisfactory to you.

IRON AND STEEL.

(Schedule C.)

STATEMENT OF WILLIAM WEICHSEL OF AMALGAMATED ASSOCIATION.

Mr. CHAIRMAN. I do not know that I can improve upon the remarks or put it to you, gentlemen, in any better manner than has been done by many who have spoken. The manufacturers have also come here and I can corroborate their statements in almost every remark that they have made. They have told you what was the difference between the wages here and those in Wales; that it was 150 per cent more in America than in Wales. This is true and there is no job that I know of in America now in the tin-plate business that does not receive wages 100 per cent higher than in Great Britain to-day. I will say further that, in my opinion, and I represent that class of workmen, if there is any change made in the tariff schedule on tin plate it will injure the workingman directly, because I think he is the one who will suffer most. I have been in this business a very long time. I am not an imported man. I was born right here in America and am not one of those spoken of as imported. I was at one time rolling sheet iron, and from that Mr. Banfield, the man for whom I am working at present, took me into his mill. I afterward started to roll tin and have been at that for a little over a year. There has been a great deal said in the remarks

that have been made with reference to the importation of these men. There are a great many more men in the business than there are imported men. I want to appeal to this committee in behalf of the workingman not to touch the duty on tin plate, because if you do you will injure the workingman. If there are any questions you wish to ask I will answer them with pleasure if I can.

Mr. DALZELL. You are rolling on black sheets in the same mill that was making steel sheets prior to the passage of the McKinley law?

Mr. WEICHSEL. Yes, sir.

IRON AND STEEL.

(Schedule C.)

STATEMENT OF GEORGE D. EVANS, BRIDGEPORT, OHIO, OF AMALGAMATED ASSOCIATION.

Mr. CHAIRMAN. I come here not as an imported man, but still I came from the other side, and have a practical knowledge of the tin business in both countries. While listening to some of the remarks questions were asked, and I thought they were proper questions to put to anyone, and while perhaps a workingman can not answer all these questions, especially those who are not used to speech-making, why was it that tin plate was reduced in price during the least eight or ten years? There was some kind of an answer given to it, but I thought, perhaps, I would be able to give a more satisfactory one and could explain more in detail because I have been employed making tin from the time I was a boy. Mr. Cronemeyer says steel had taken the place of what we call iron. We know it has, but a little further explanation is required on that particular point. I will say that tin plate was rolled and cut and worked in the fire in former times. After that it was taken to the hammer, stamped out to be cut for work in the refiner's fires. By that process the grain of the iron was more closely worked. During the last six or eight years it has not been done so thoroughly as before, because it took more work. Since they have been cut down in price it has reduced the amount of work put on them. They first dropped off the fire work; then they dropped off the refiner's work, and therefore the material in the article in the first place is nothing like as good as it was; and in addition to that there is not so much tin in the article as there was ten or twelve years ago. If you buy a tin can which was made ten or twelve years ago it would last longer than a tin can which you would buy now. If you had a tin roof put on your house at that time it would last longer than a tin roof which would be put on now. I know a tin roof which has been on for ten or twelve years and is comparatively good to-day. I know some tin roofs which were put on six or seven years ago and are worn out now. If it is not painted tin will rust. This is a practical reason why tin plate has been reduced. I think it would be well for you to encourage the manufacture in this country for that reason.

There was a question asked as to the tin made in America and whether it was as good as that made in England. I say it is, and I believe it is much better, because the material of which it is made is richer. The iron here is better than it is in the old country. That was proved by consumption.

What I hope and trust is, that you gentlemen will consider this mat-

ter and not drive this business out of the country, because if you do it will throw a large number of men out of work. We all know that if the tariff on that particular product is reduced it is the men who will suffer. I came over to this country pretty well fixed. In the old country when I was a boy I worked from 6 in the morning till 8 at night and did not have the second change of clothing. I did have another change but I had to keep that for Sunday to go to church in. I suffered a great deal in the old country in this way. I do not believe it is in the minds of the American people to keep us from making better wages. We will all be benefited by it. I hope you gentlemen will consider this. This is what we all believe and I hope you will deal leniently with us.

Mr. PAYNE. Do you work at the same business here you did over there?

Mr. EVANS. For a few years here I did the same kind that I did over there, but I am now a sheet-roller.

Mr. PAYNE. How much better wages do you get here than you got there?

Mr. EVANS. I get very much better wages here.

Mr. PAYNE. How much do you get here?

Mr. EVANS. About three or four times more than I got over there. A good sheet mill will make $24 in a day for seven men.

Mr. PAYNE. How much would seven men make over there in a day?

Mr. EVANS. Nothing like so much as they would make here. A catcher there would make $1.25 and $3 here; a rougher would make $1.25 there and about $3 here. The work of the matcher and doubler over there is consolidated, and they have but one.

Mr. PAYNE. They work from 6 o'clock in the morning until 7 at night?

Mr. EVANS. Not now; they used to.

Mr. PAYNE. What hours do they work there?

Mr. EVANS. I believe they work now eight hours.

Mr. PAYNE. You work here how many hours?

Mr. EVANS. Eight.

Mr. PAYNE. You say they used less block tin some ten years ago, and also used poorer stock?

Mr. EVANS. Yes, sir.

Mr. PAYNE. Our people use more block tin than they do over there, and make better quality?

Mr. EVANS. Yes, sir.

Mr. BRECKINRIDGE. How do they pay you in the old country, by the day or by the piece?

Mr. EVANS. By the box.

Mr. BRECKINRIDGE. A squad divides just as they do here?

Mr. EVANS. Yes, sir.

Mr. BRECKINRIDGE. How much do they pay you a box?

Mr. EVANS. They used to pay on the other side 28 shillings for 100 boxes.

Mr. BRECKINRIDGE. How much do you get here per 100 boxes?

Mr. EVANS. We work by the ton. I work now in the sheet mills.

IRON AND STEEL.

(Schedule C.)

STATEMENT OF MR. C. H. HAUFMAN, OF BRIDGEPORT, OHIO, OF AMALGAMATED ASSOCIATION.

Mr. CHAIRMAN: I came here to represent the sheet and plate rollers. I represent about 12,000 men, in the aggregate, who are following that line of business. I came here to-day to see this committee, and to plead with you to keep the duty on sheet iron and plate. To-day at least two-thirds, and probably more, of the men I represent in this country are idle. Some few mills are running and manage to keep going. We know that in case this tariff is taken off there will be a reduction of wages. There is no doubt in my mind that that will be the case. The working man is the man who has to suffer every time. We have not done much work in my part of the business, but I am satisfied if the tariff is taken off we will not do any at all. Our people tell me that they can not get a single order for the size that I am working. I think this is something which requires a great deal of consideration at your hands. You are aware of the number of idle men in this country. We are satisfied that the remarks made by our colleagues in the Amalgamated Association of Iron and Steel Workers will convince you that they will be thrown out of work. I can tell you, gentlemen, that we agree with the manufacturers. The manufacturers have told you the truth.

IRON AND STEEL.

(Schedule C.)

STATEMENT OF PHILIP HAGAN, OF YOUNGSTOWN, OHIO, OF AMALGAMATED ASSOCIATION.

Mr. CHAIRMAN: I am from Youngstown, Ohio. There are five large firms there which make wrought iron exclusively. Every one of those firms employs union labor, and we always agree pretty well together; but as regards that I have nothing to say. The men working with me in our town have asked me to come here, 400 miles, and say to you gentlemen that if the tariff is reduced their wages will be reduced. This is their bread and butter. That is honest.

In regard to imported workmen, if you go into that, I am imported. I was not born under the stars and stripes. I did not have the say-so as to that. I can tell you that I know what it is to work under free trade. I stand here to say that I worked for 20 cents a day. I had to go to work before I was 9 years of age. That deprived me of any part of an education. As soon as I got a very limited education, enough to enable me to understand that labor in America was protected, I went to an English gentleman and discussed the matter with him, and he said to me, "The American people are not such fools as to reduce their tariff. Young man, go there." Consequently I came here, and received the benefit of it for several years. With this extra money which I made I was enabled to give myself some instruction. It was a struggle for existence over there. Here I was able to raise my family. Gentlemen, are you going to wipe it out? For God's sake, do not do any-

thing of the kind; it is a great advantage to have citizens who are good, intelligent citizens, and if you deprive them of education they will never be good citizens.

I could stand here and talk for hours for the 6,000 men in Youngstown, Ohio. They beg of you not to reduce the tariff on bar and wrought iron. We have had current prices for years. I wish to tell you the difference between the puddlers in England, when I worked there, and the prices now. I went to work for ten hours a day for 20 cents. When I advanced to the position of boiler in a furnace I received 5 shillings per day. I was getting 6 and 6 pence in 1869.

Mr. PAYNE. How old are you?

Mr. HAGAN. That was in September, 1842. I worked on the River Tyne. To-day they are paying the same prices.

Mr. DALZELL. I suppose these 6,000 men for whom you are speaking are Democrats?

Mr. HAGAN. When it comes to a tariff we know nothing about politics.

A DELEGATE. I want to say that the men are from both political parties.

Mr. HAGAN. That is bread and butter.

Mr. DALZELL. But you go in for a tariff?

Mr. HAGAN. I go in to protect labor.

Mr. TURNER. When did you come to this country?

Mr. HAGAN. On the 19th of January, 1870.

Mr. TURNER. How old were you then?

Mr. HAGAN. Well, you have me there. (After reckoning) 27.

Mr. TURNER. Had you then learned the trade?

Mr. HAGAN. Yes, sir. I had learned the trade early, because I had been in the mill from infancy. I was not more than an infant when I went to work.

Mr. BURROWS. That was really an infant industry.

The CHAIRMAN. What was the difference between the wages there and here of the same grade of work?

Mr. HAGAN. It was $2.60. I received there for puddling $1.20, or 5 shillings for 3,000 weight; and here I received $3.80 for 2,750 weight. I went up with the market. That is the present price. I have realized higher wages before. We have the highest in the country; there is none higher.

Mr. GEAR. The wages in England are higher than in Belgium?

Mr. HAGAN. Yes, sir; they are higher in England. I do not know just exactly how much; but wages in Belgium are about 75 cents a day. We start on Monday morning and stop the furnace on Saturday night to clean it; but in Belgium they never stop as long as a furnace holds out.

Mr. GEAR. That is true in Germany?

Mr. HAGAN. As long as the furnace holds out, they never stop.

Mr. TURNER. You said just now that you were imported. You do not mean that you were brought in under contract?

Mr. HAGAN. Oh, no; I mean to say that there was so much talk about people being imported——

Mr. TURNER. You paid your expenses?

Mr. HAGAN. Yes, sir; there were no men imported twenty-three years ago. We all "came over" then.

The CHAIRMAN. There was a time when manufacturers used to import labor for their steel mills?

Mr. HAGAN. I heard it said. I can not say as to its truth.

The CHAIRMAN. The president of the Amalgamated Association testified as to that.

Mr. HAGAN. I believed so too at one time; but I could not trace it.

The CHAIRMAN. I understood from your argument that it was your sincere belief that the high rate of wages is due to the protective tariff?

Mr. HAGAN. That is my belief.

The CHAIRMAN. How many people own land in England?

Mr. HAGAN. I do not know, but about twenty-five people own 2,000,000 acres.

The CHAIRMAN. A very small number of people own all the land?

Mr. HAGAN. Yes, sir.

The CHAIRMAN. Let me give you this idea: There is a large population in England compared to the size of the country.

Mr. HAGAN. I think it is about 190,000 or 200,000 square miles.

The CHAIRMAN. England is less in size than some of the States of this Union.

Mr. HAGAN. In fact it is, I believe, about 50,000 square miles less.

The CHAIRMAN. We have one State, Texas, with 275,000 square miles, and California probably has 150,000 square miles. Land in England is limited to a few owners?

Mr. HAGAN. Yes, sir.

The CHAIRMAN. So that a man born poor has little chance of owning his own home?

Mr. HAGAN. It would be impossible.

The CHAIRMAN. I will ask you this hypothetical question, and it is not original with me: Suppose that to-morrow morning the people of England were to wake up and find that during the night as if by magic England had extended her territory half way across the Atlantic Ocean, so as to make her territory average as large in proportion as our territory is to our population. Would not the opening up of that new western country, vast and rich in valleys and green fields, with great rivers, and with mountains full of ores of various kinds, with water power and timber, cause a great rush to settle up that country; and don't you imagine that there would at once be an increase of wages in England?

Mr. HAGAN. Yes, sir; I think there would be.

The CHAIRMAN. I think that has something to do with the wages in this country.

Mr. REED. Now, suppose Belgium was right alongside, where the wages are only 75 cents a day, would not the wage-workers of Belgium come in and regulate the prices of wages in England in consequence of the discovery of these great valleys and beautiful fields, which the chairman has hypothetically pictured?

Mr. HAGAN. Yes, sir; certainly.

The CHAIRMAN. The Belgian manufacturers would not supply the English trade at once?

Mr. HAGAN. No; not altogether; but in time they certainly would.

The CHAIRMAN. They could not pour all these people into this country at once without making high prices.

Mr. HAGAN. Do you mean to say that the population is so sparse in the United States that we are entitled to these wages?

The CHAIRMAN. Yes, sir; that is the idea.

Mr. HAGAN. I can assure you if you take the duty off imports wages will be as small here as they are in England, in a short time.

The CHAIRMAN. Are not the wages of the people who work in unprotected industries in this country, in agricultural machinery and those

who work on the farms, larger than the wages of those people in like occupations in the crowded countries of the Old World?

Mr. HAGAN. Wait a moment on that. I do not exactly know what farmers are getting in Dakota.

The CHAIRMAN. Take Ohio farmers.

Mr. HAGAN. I am not in that business; but I think $20 a month is the wages in Ohio. In Ireland a farm laborer to-day will receive 3 shillings to 4 and 6 pence and board. That I take from the public press.

Mr. PAYNE. Twenty dollars includes board in Ohio?

Mr. HAGAN. Yes, sir; but I may not be correct about that.

The CHAIRMAN. Is not the difference between the wages of the farm hand in Ohio and in England quite as much as the difference between the skilled operative in the rolling mill here and the skilled operative there?

Mr. HAGAN. I believe not; but I am not positive on that question. The farm laborer in England gets 6 to 8 pence. I do not know about that, however. I do not look after that part of the trade; but they used to receive that, I know, for six months, the time for which they contracted. Eighty-five cents would be 40; it would be as many as six would go into 40. There is a big difference.

A DELEGATE. About the scarcity of men in this country being the cause of high prices, I want to say that a great many men are out of work. There are more men than there are jobs.

Mr. BRECKINRIDGE. You speak of getting $1.25 for puddling, and paying a certain amount of that for help in the old country.

Mr. HAGAN. That is the amount after paying for help. The price was about 6 pence per ton, but call it that. We used to have 3,000. I had to pay one-twelfth of it for help.

Mr. BRECKINRIDGE. What would it leave you, after paying for the help?

Mr. HAGAN. Three dollars and eighty cents. The amount I made here was $6.30; and after paying for help that leaves me $3.80.

IRON AND STEEL.

Schedule C.

STATEMENT OF MR. J. C. KILGALLON, OF PITTSBURG, PA., OF AMALGAMATED ASSOCIATION.

Mr. CHAIRMAN: I suppose it is hardly worth while for me to try to extend the argument that has been offered by my colleagues, and particularly that relating to my own occupation, or what was my occupation up to the time of my having been elected to the position I now hold as secretary. My friend who has just spoken, Mr. Hagan, has covered it. Perhaps it is sufficient to say that he made two or three points which perhaps I could cover a little better. I can, however, substantiate what he said. I can do it with more force when I tell you that it has been my lot to have had some experience, though less limited than he has had. I have puddled in England and America. If the wages for boiling in the United States were the same as they are now in England I would prefer to boil in the United States. The point I wish to bring out is that there is nothing in the conditions of labor in this country that would warrant me or any other person in

expecting any more for the performance of that labor than I would be entitled to at the same class of labor in England. It is not harder here, but far easier, and I believe our friends here will concur with me in this statement. I am not, however, alone interested in the retention of this particular branch, but in the entire trade. It is to me a matter of great importance. I feel that our people are in a position where to change the present tariff would undoubtedly bring great suffering; and right here I wish to make some reference to a remark which was dropped by the chairman a few moments ago.

We were asked why it was that the wages of the workmen employed in trades that necessarily were unprotected were higher than were the wages in free trade or tariff for revenue only countries. We hold that this difference in favor of unprotected American industries is due to natural advantages. We are firm in our belief that the example of high wages in the protected trade is one of the influences in creating that high rate in the unprotected trade.

Take the bricklayers. There is no doubt in my mind that the bricklayer could not commence to command the present high rate of wages unless the rate at which he works was virtually made up by the protected trades. If it were not for that his wages would be so great in comparison that there would be no inducement to go into any other trade. This is true of every unprotected trade; and we hold that protection does not only protect those specifically named but it protects the whole community, if not directly, then indirectly. Hence our position as iron workers is that we believe we are performing a duty which we owe to our fellow citizens of every trade in assisting with them in preventing in every way we possibly can, that is legitimate, any interference with the administration of the tariff that will injure our present prosperity.

I did not intend, when I started, to occupy so much time and I will not continue further. I have simply to say, as I am the last speaker, that I wish to thank this committee for the kind attention with which the members have listened to us. I believe that we will all go away feeling that our interest is safe in the hands of this committee.

Mr. REED. You refer to the matter of bricklayers. I suppose that if any of the goods on which you work could not be imported, that question of wages would have to be settled in America entirely?

Mr. KILGALLON. Yes, sir.

Mr. REED. So that anything we can not import is protected just the same as anything is protected by law, or on which there is a prohibitory duty?

Mr. KILGALLON. That is my belief.

Mr. REED. Brick houses can not be imported?

Mr. KILGALLON. No, sir.

Mr. REED. Then it is better than protection to them, for it is the same as a prohibitory tariff?

Mr. KILGALLON. That is what we believe.

Mr. REED. Perhaps the same causes operate in other things?

Mr. KILGALLON. The men in certain employments have certain natural advantages of which you speak, and in addition to that there is the advantage created by the specific wages under our protective system. Both combine.

The CHAIRMAN. Wheat can be imported?

Mr. KILGALLON. Yes, sir.

The CHAIRMAN. What makes the farm hand in Ohio get so much larger wages than the farm hand in England?

Mr. KILGALLON. It is my belief, and I find it to be the belief of a great many people who follow labor for a living and who do not know of the niceties of the theories and the technicalities of the way in which the law is administered, that even in the case of a farm hand in Ohio the wages of his neighbor are higher than they otherwise would be.

The CHAIRMAN. He sells abroad at free-trade prices?

Mr. KILGALLON. He does not sell all he produces at free-trade prices.

The CHAIRMAN. He sells a large part of it?

Mr. KILGALLON. There are other things. The establishment of manufactures in the farming States, we think, is beneficial, for it gives him a rise in the price of his grain.

The CHAIRMAN. Does wheat sell for more in the manufacturing districts than anywhere else?

Mr. KILGALLON. I should judge so. I have never lived in a farming district.

Mr. REED. Is it a fact that the price of wheat depends very much upon our surplus; the size of our surplus may have very much influence?

Mr. KILGALLON. I think so.

Mr. REED. Whereas 1,000,000 bushels of wheat might not have much effect on the market price, yet 50,000,000 or 100,000,000 bushels would have a much greater effect on the price than the proportion of figures would indicate.

Mr. KILGALLON. I think so.

Mr. REED. If we ceased consuming in this country and had a less number of laborers, we would have more surplus and the price would be down?

Mr. KILGALLON. I think so.

Mr. BRECKINRIDGE. As a question of national policy, do you believe that the farmers could afford to hire people to eat wheat?

Mr. KILGALLON. That involves the whole question of the tariff, and, as I said, as to the farmer's relation to it I would not like to go into the question, not because I fear investigation as to the relation of protection, but for the reason that, not having lived in a farming district, but in the midst of industrial districts, I do not feel safe in arguing that feature of the question.

Mr. BRECKINRIDGE. As bearing upon your own business, if there is a manufactured article produced in this country more cheaply than in any European country, from whatever cause, and so much less that it can be readily placed in the principal markets at a still less price than the product of any other country, and the party charges more for it, would not that restrict labor?

Mr. KILGALLON. Home competition would be really needed in that case to prevent exorbitant prices abroad.

Mr. BRECKINRIDGE. It needs no protection at all?

Mr. KILGALLON. In answer to that I would state that it is possible for a case to arise; that there would be a time when protection would be needed.

Mr. BRECKINRIDGE. I will ask you if the case is not already here?

Mr. KILGALLON. I am coming to that. The article might be protected and sell high for a long time, but the time would come when, for some reason or other, whether by the production of the article or other reason, the cost would be below the cost in the country against which the legislation is designed to protect us. Temporarily it would look like the tariff is unnecessary, but a removal of the duty may have

the effect of raising prices in this country, because when the tariff was lowered there would be a great introduction of English goods and our manufacturers would be destroyed. I think, therefore, the manufacturer needs protection.

Mr. BRECKINRIDGE. Suppose I manufacture (as some people do in my country) a coarse article of cotton cloth and I ship it to Liverpool or China and can make it more cheaply than in any country in the world, and suppose there is a tax of, say, 2½ cents a square yard put upon that cloth. Have I not to make it cheaper than anybody else, so no one else can undersell me? If there is a tax put upon that, am I not compelled to make the American consumer pay more for it?

Mr. KILGALLON. I think so.

Mr. BRECKINRIDGE. Is there not a less chance for the employment of labor in my mills on that account?

Mr. KILGALLON. If I understand you, you mean to say that a tariff tax is asked to protect us because it is being sold for less. As for myself I would regard such a tariff as not only unnecessary, but not proper. But cases can arise where during the operation of the tariff this change may take place. But in asking for a tariff to cover an article already protected by reason of its cheapness it seems to me would be improper.

Mr. BRECKINRIDGE. But if the duty on any article is much in excess of what will cover the cost of production, in the interest of labor that excess should be lowered.

Mr. KILGALLON. I have reason to believe we do not ask an unnecessary protection.

Mr. REED. This supposed collection of people who are making considerably larger profits in excess of others would be likely to be found out, would they not, by the workingman?

Mr. KILGALLON. Yes, sir.

Mr. BRECKINRIDGE. I would put some provision in the law by which he would find it out.

Mr. KILGALLON. Perhaps if the tariff were so arranged as not only to create prices and to enable the employer to pay high wages, but to insure their payment, I think it would be a better scheme.

Mr. BRECKINRIDGE. That is an admirable point. I think such provision should be made in the tariff.

Mr. KILGALLON. Occasionally we have labor troubles. I never expect to see a day when we will not, so long as the present system obtains. But, as was said by the first speaker, there is a common ground of agreement. There are certain points upon which employer and employés can not agree, and that point is reached by this difference. One wants to put it at one point and the other at another point, but remove the tariff and we will be simply on common ground. They differ before they get to that point. Those troubles will occur. Generally speaking, we find manufacturers disposed to treat our people fairly. Occasionally we find people disposed to take advantage, when opportunity arises. We do not, however, look upon that as a reason for any alteration that would injure the trade. A reduction of wages would not only cause labor troubles, but it would cause all points to be more fiercely resisted and would cause troubles to be more numerous and more objectionable than under the present method. Generally a good feeling prevails now.

Mr. BYNUM. Do you gentlemen believe that the tariff which has been fixed on the iron and steel schedule helps you in your wages?

Mr. KILGALLON. We get the benefit of it.

Mr. BYNUM. What is the average tariff on the iron and steel schedule?

Mr. KILGALLON. Our president, Mr. Garland, who spoke first, had arranged to go into that matter.

Mr. BYNUM. I suppose you have often discussed this question of wages and tariffs in your labor meetings?

Mr. KILGALLON. We have, but not often.

Mr. BYNUM. Did you ever calculate the output of your employés and then calculate the portion they receive to see whether you got your share of it?

Mr. KILGALLON. In our negotiations about schedules, while we do not take the tariff rate and dissect it, we do start at the raw material and count its cost, then go into all the avenues by which it is turned into the finished product, go through the process of ascertaining the cost and follow it right into the market, until we get a selling price. The tariff must be included in it.

Mr. BYNUM. Did you ever calculate to ascertain whether you got your share of the tariff?

Mr. KILGALLON. Sometimes we think we ought to get more, and sometimes the manufacturers think they ought to get more. There is a common agreement among us that we get a fair share of it.

Mr. BYNUM. Is it not a fact that the tariff on the iron and steel schedule is about 55 per cent? You do not get 55 per cent, or more than half of the output of the manufacturers?

Mr. KILGALLON. Do you mean the value of the product turned out? That is a very indefinite question and one I do not understand.

Mr. BYNUM. You know what the output of the manufacturer is?

Mr. KILGALLON. Yes, sir.

Mr. BYNUM. Do your workingmen get half of that for their wages?

Mr. KILGALLON. I can not see your point.

Mr. BYNUM. If it should turn out that the tariff is much more than you get, then if the tariff were reduced it would not affect your wages, would it?

Mr. KILGALLON. If the tariff is higher than is necessary?

Mr. BYNUM. If the tariff is 55 per cent, and you get 25 per cent.

Mr. KILGALLON. Do you mean if the tariff is 55 per cent, and I and my fellow-workmen only get 25 per cent? As to that, I should think if the tariff was higher we would try to get more, and we believe we could get more.

Mr. BYNUM. As a matter of fact, you do not get more?

Mr. KILGALLON. It would necessitate a close investigation as to the cost of those things.

Mr. BYNUM. That investigation has been made, has it not?

Mr. KILGALLON. Not in that way. We do not take the value that is added to the product by the tariff and find that duty. We simply take the raw material, and follow it up until it is finished.

Mr. BYNUM. You go through and calculate the materials, cost of production, etc., and the selling price, and your wages are fixed in that way?

Mr. KILGALLON. Yes, sir.

Mr. BYNUM. You do not take into consideration whether the tariff is more than enough?

Mr. KILGALLON. When we take the cost, or value, we deem that sufficient.

Mr. BYNUM. Suppose the tariff is in excess of that. Suppose you

do not use it, and suppose you get no part of it, then there could be a reduction of the tariff without affecting you?

Mr. KILGALLON. Certainly.

Mr. BYNUM. If the tariff is excessive, then you do not get any benefit from it?

Mr. KILGALLON. If unnecessarily so, we would not.

Mr. BYNUM. In the case of some articles of woolen clothing the tariff runs up to 325 per cent. Do you think that is necessary?

Mr. KILGALLON. I could not say.

Mr. BYNUM. You wear some woolen clothes?

Mr. KILGALLON. Occasionally—they tell me they are wool.

Mr. BYNUM. You are not right certain about it?

Mr. KILGALLON. They may be mostly shoddy.

Mr. REED. You take the difference between the raw material and the finished product—the difference between the raw material and the work you put upon it?

Mr. KILGALLON. Yes, sir.

Mr. REED. If you simply took the value of the product and calculated the percentage, and did not calculate the percentage of the difference, you would make a mistake, would you not?

Mr. KILGALLON The man who employs us buys the raw material. We do not carry our investigation to that particular state. For instance, in calculating what a boiler should secure for boiling, we would start at the pig and not at the ore, because we would first ascertain how much a ton of pig costs that man, and then we would carry it no further.

Mr. REED. Then your percentage of labor would only be the difference between the pig and bar iron. If you undertook to calculate your percentage upon the whole price, bar iron and all, you would make a great mistake?

Mr. KILGALLON. Yes, sir.

Mr. REED. That is a mistake which some tariff reformers make.

IRON AND STEEL.

(Schedule C.)

STATEMENT OF HON. T. W. PHILLIPS, OF NEWCASTLE, PA.

Mr. CHAIRMAN: I have been requested to read in your hearing the following petition, which is addressed to me:

DEAR SIR: We are pleased to know that you have been placed on the Labor Committee, as we well know from the past that you are the friend of the honest laboring man. We, as members of the Amalgamated Association of Iron, Steel, and Tin-plate Workers, respectfully request you, as our Representative in Congress, to enter a protest before the Ways and Means Committee in behalf of the workmen in all of the tin-plate establishments in the United States against any reduction in the tariff on black and tin and terne plates. The workmen now engaged in the manufacture of tin and terne plates in this country have demonstrated their ability to make plates of a quality equal to any produced anywhere in the world. If the present tariff is retained on black and tin and terne plates the expansion and growth of the manufactures of tin plates will be greater than that of any other branch of the iron and steel business, and will, in time, give employment to thousands of skilled workmen and laboring men. The United States of America can not at the present time so easily establish any manufacturing industry that will give employment to so

many workmen directly and indirectly and that will distribute so many millions of dollars each year throughout the country, as that of the manufacture of tin and terne plates.

HARRY HERBERT,
ALBERT RUSSELL,
EDMUND ABSALOM,
C. J. HOSKINS,
PAUL LEWIS,
DAVID JOHN,
DAVID WILLIAMS,
JOHN D. WILLIAMS,
WILLIAM JENKINS,
ROBERT JOHNES,
THOMAS SADLER,
DAVID DAVIES,
ALFRED WILSON,
ENOCK GUNTER,
THOMAS THOMAS,

Committee of iron, steel, and tin-plate workers.

Mr. PHILLIPS. These are practical men who have been working in my own city. They have a large plant there; and I am informed by friends that they can not turn a wheel. It has not started, but completed. They will be unable to operate their works if the tariff is reduced to what it was before the McKinley bill was enacted. They requested me to present this paper. I hope you will not recommend a law reducing the tariff.

IRON AND STEEL.

(Schedule C.)

STATEMENT OF MR. JOHN JARRETT, SECRETARY OF THE ASSOCIATION OF IRON AND STEEL MANUFACTURERS AND TIN-PLATE MANUFACTURERS.

Mr. CHAIRMAN: I want to make a few remarks explanatory of some of the remarks made by preceding speakers. On behalf of the sheet-iron and steel manufacturers, we desire to say that we enter our plea simply for the amount of the difference in the wages paid in each country.

I have before me the official statement—something that has never been seen before—of the union scale of wages paid to steel and iron workers in England. These are the highest wages paid in that country.

I have also before me the Western schedule of prices of the Amalgamated Iron and Steel Workers' Association. These are also represented as being the wages paid in the United States. I desire to compare these rates of wages. I will give the figures in dollars and cents so that you can understand them. If I used the terms "singles," "doubles," and "laterals," you would not understand them, because they are terms different from what we have in the United States. Here are a number of gauges up to number 8, and lighter. I should explain that single means anything up to 20; double means anything up to 24; and lateral means anything up to 27; the others given simply run to 28, 29, and 30. The price paid for 31's is precisely the same as the price paid for 38's. The price paid for 38's in the United States is $10.65. So you may understand that rolling includes not only wages of the roller, but the wages of rolling, heating, and shearing. The figures in the old country include other sums, as there are certain allowances. In the United States the price is $10.65 per gross ton of 2,240 pounds. In England the price is 18 shillings and 6 pence per gross ton of 2,240 pounds. This 18 shillings and 6 pence, according to the schedule before me, is subject to reduction of 2½ per cent, and also a reduction of 2½ per cent which took effect on the 14th of April last. That is, altogether, 5 per

cent, or nearly 1 shilling to the pound. Hence, this is 17 shillings 9 pence, or $4.40, against $10.65 in this country. With this difference, the daily labor in the United States amounts to $4.25, while in England they pay rollers 2 shillings, or 48 cents, per ton. Puddlers in the United States get $5.60 as against 4 shillings, or 98 cents, in England.

I will explain why these wages are so low. I dare say you have read reports of what is known as the sweating system, which will be found in the Parliament reports. The British Parliament entered into an investigation of the wages paid. Having been consul at Birmingham under the late Administration, I had an opportunity to personally investigate this question for myself, and I became familiar with the facts in the case. A gentleman handed me a piece of paper in connection with women as blacksmiths in this district in England, and I should be pleased to place it before this committee.

I have taken this official statement, which the committee, of course, can accept without hesitation. In this district the men and women, boys and girls, do manual labor that none but males do in this country.

Even the Hon. William E. Gladstone says this is one of the results of the feudal system in that country which has not been swept away. There is no doubt of that. The low wages paid in these mills affects the wages of the union or organized mills in that country, and, consequently, the sheet-iron workers receive low wages. If the sheet-iron workers in England are idle for a week the public is compelled to furnish something for them to eat. If idle for several weeks the public institutions take care of them. We do not want any such system in this country; and, consequently, I say these wages are fair, reasonable, and equitable, and enable these people in this country to live respectably and to raise their families as they ought to do. We believe in good wages. Even Congress itself believes in that. We do not want low wages in this country.

I heard a question asked about wages in Germany. In that country you will find that even in the legislative halls, if you will follow that question up, wages are low. The salary of the members of the Reichstag is only $600 a year.

A BYSTANDER. It is only $300.

Mr. JARRETT. Then it is half what I supposed it was. I trust that in consideration of this fact you will not place the workmen of this country in that position. I speak feelingly, for I have been a workingman myself. I know what it is to work hard for wages, and I want to see the workingmen paid good wages. It is for the Congress of the United States to decide whether the wages of our workingmen shall be put down to the level of the wages of England. This is a serious question, and I trust, speaking in behalf of the employés and workmen as well as the manufacturers, that you will not reduce the duty in any shape or form, for the duty is barely sufficient to cover the difference in wages for fine goods.

I also want to say a few words in connection with the tin-plate industry, for I happen to represent that, too, though a Welshman by birth.

When I became an American citizen I, from that time on, began to favor American industries independent of other considerations. I speak for tin plate just as much as for any other industry, though it is exclusively a Welsh product. Why? Because Divine Providence gifted us with a larger area in proportion to population, twice over, than any other country in the world in coal, limestone, and iron ore, and these

are the three elements which enter into the manufacture of iron and steel. Were those elements given us by Providence to remain undeveloped simply because England can produce cheaper than we can? The question is, does England possess these in larger measures than we do? Has Providence been kinder to her than to us? I say He has been kinder to us, and He has given us these in larger proportion, and they are a great deal finer than England possesses. We do not need to go down into the bowels of the earth 400 or 500 or 1,000 feet to reach good coal. Ours is almost on the surface. We do not need to cross the channel to get our iron ore. Ninety per cent of the tin plate manufactured in Wales is from imported ores. It is not, then, a natural industry at all. She has to import ores for more than 200 miles at the present time.

Again the subject of tin plate has been talked about so much. I maintain that we have the resources in this country in a greater measure than England has; and why should we not manufacture these goods? If we possess it in a greater measure, how can England manufacture it cheaper?

I had a conversation with Mr. Gladstone—and I say it with the highest respect for him—in which interview I presented this question to him, and asked him why England could manufacture it cheaper. He said simply "We have cheaper labor." Will you gentlemen concede that? We are more abundantly supplied with material to make tin plate from than is any other nation on the face of the earth. Why can any other people manufacture it cheaper? I am told that this industry was established in Great Britain without protection. That is not true. Nor is it true that any great industry has been established there without protection. Many people are under the impression that protection ceased in England in 1846. There are evidences of it left, and have been as far down as 1872. From that time England has been going down. In 1877 England produced 6,600,000 tons of pig iron; we produced 2,000,000 tons. Last year we produced 9,000,000 tons, and England produced a little over 6,000,000 tons. We will progress, if you will permit us to progress. And I, therefore, appeal to you not to interfere with the duty on tin plates.

Do not be led away by all this fallacy about tin plates being imported. Why are they imported? In this country the raw material exists in greater abundance than it does there. Some industries have started up to the present time, but they have been under a cloud and are now unable to make advances, fearing that these duties which have been placed on tin plates will be swept away. I trust that you gentlemen, not as members of Congress alone, not as members of any political party, but as American citizens and statesmen, will stand by this industry.

The remark was made that tin-plate rollers get the highest wages in Wales. It would appear, therefore, as being too high. I have heard remarks that too high wages have been paid to labor. It may be that there have been cases where wages may appear somewhat too high; but the labor cost in this country is no more than it ought to be. There should be something done in the way of equalizing the wages of workmen in this country.

There was a question raised as to the price of tin plates. It was immediately preceding the tin-plate industry in this country that the McKinley bill was adopted. The bill was adopted after the industry got a foothold. There is something very subtle in this question of

prices. At the time when the McKinley bill was adopted the price of tin plates had not increased 1 cent in this market, but they had ncreased in the English market.

You know perfectly well that the iron and steel boom commenced in England in November, 1888, and continued through 1889, and about August, 1890, the reaction commenced in tin plates. But instead of tin plates going up, as other prices had done in England, they failed to go up. They were kept down. Mr. Swank made a remark, and called attention to the fact, that steel bar had advanced in price very materially, but that tin plates had not advanced. In other words, while at the very moment the discussion of the question of duty on tin plates was going on in this country, the Welsh manufacturers took good care that prices did not advance then. They were manipulating the market, and had it in their own hands.

Now, Mr. Chairman and gentlemen of the committee, look at the price of tin plates. The wages of labor did not advance 1 cent. Directly after the McKinley bill passed the price went up. While the price of tin plate went up in this country, the price of sheet bar went down. Why did the price of tin plate go up? I happen to know that there was a little collusion to advance prices, not because it was necessary, but they advanced the price simply because they wanted to stultify the sentiment of the American people in connection with this tin-plate industry. They wanted to stultify the consumer because he dared to intrude upon their sacred ground as manufacturers of this commodity. However, the tin-plate clause did go into effect. The price fell somewhat after that. The prices also went down in England, and why? Simply for the purpose of beating down the price in this country.

I remember that when I was consul in Birmingham I received letters from the State Department asking why the price of tin to the United States was different from that shipped to South America. The price of invoices to the United States was placed at $21 while the price to other countries was $30. The invoices to France and Germany were $26; to the Argentine Republic, $36 and $37. Those were places where there was no competition. We had the market in this country, and they had to bring their prices to meet that competition. It has been the case all along the line. During the nine months' time that England took advantage of the American market before the tin-plate clause in the bill went into operation she reaped enough profit to live for three years. After that she sold at cost or less, if possible, with the hope of wiping out this industry in this country.

I need not go into details as to the industry generally. I want to say a word in behalf of the tin-plate workers. Something has been said about imported labor to manufacture tin plates in this country. If you go back far enough all of us were imported. I am an adopted citizen, and I thank God for that privilege. But in one sense I was imported. I came because I desired to come here. It may be said that I am imported for that reason. Large numbers of Welshmen have come over here because they expected to get more wages. They have come here with the object of becoming American citizens. You, gentlemen of the committee, have heard that some of them have come over and gone back, and they have told the people over there that this industry was going to fail. They are simply the hired agents that have been sent here for the purpose of getting up a scare in this matter. New works can not be run on the line of old establishments. These men came here and went back and described the industry, and one paper said this American industry could not succeed.

Let me appeal to your patriotic spirit and enthusiasm to stand by this industry, and say that we must have our industrial independence in tin plate as in other commodities. There is no reason why we should depend on England and Wales, so long as we have such gifted natural resources to become a large producer. I appeal to you in behalf of the workmen to stand by them, because, standing by them, you will stand by their employers.

Not long ago I was addressing a public meeting, when a gentleman challenged me, and said that I was there in the interest of the American manufacturers. I said that I was in the interest of the American manufacturers, and I come here to-day in that interest, because, being in the interest of the manufacturers, I am at the same time in the interest of the workmen.

I thank you, gentlemen, for your very kind attention to what I have said.

IRON ORE, ETC.

(Paragraph 138.)

STATEMENT OF REPRESENTATIVE SPERRY.

WEDNESDAY, *September 20, 1893.*

Mr. CHAIRMAN: I have two points in behalf of two manufacturers which I wish to submit. One is from the Collins Company, a letter from the president. The Collins Company are located in my district. They employ several hundred hands, and have almost exclusively a foreign trade in South America and the tropical countries. They make tools which are used and particularly adapted to those countries. Mr. Collins wrote me a long letter touching his interest in this tariff. He hopes it will not be changed, though in some ways he might be benefited. Scrap iron is described as a by-product. He uses Swedish bar charcoal iron which he puts through the open-hearth process and transforms into steel. He does not care for free coal.

The Collins Company is particularly interested in the reciprocity features of the present tariff. The company has very largely extended its trade under reciprocity and they very much hope that, whatever changes may be made in rates of duties, the reciprocity features will continue as a feature in the new tariff.

I would like to submit the original letter, and when the committee come to read the printed record, the members will find that letter of great interest in that connection.

THE COLLINS COMPANY.
Collinsville, Hartford County, Conn., September 16, 1893.

DEAR SIR: Yours of the 14th instant received. We wish you would urge upon the Ways and Means Committee the importance of not disturbing the existing law as to reciprocity.

The commercial arrangements that have been made with various Latin-American countries whereby our manufactures, which are agricultural implements, are admitted to those countries free of duty is of great importance to us as well as to others of your constituents.

We, of course, had trade in those countries before, but only a small fraction compared with what our competitors in England and Germany with their low cost of materials and labor have controlled.

It has taken a long time, with the aid of the State Department and our own representatives in Cuba, Brazil, and other countries, to get the details arranged and

compel customs officers to pass free of duty under reciprocity agreement our goods, and not until recently have we been able to get the details at some of the principal ports properly arranged.

With our goods on the free list in those countries we know our trade will be largely increased, and we are making great effort with our men on the ground to push things on those lines. Already we are having orders in consequence not obtainable under old duty rates that buyers were obliged to pay and business will under these conditions increase from now forward.

If you will examine copies of the commercial arrangements with Spain for Cuba and Porto Rico, Brazil, San Salvador, and other countries south of us, which copies you can get at the Department of State, you will see at a glance the extensive list of manufactures under which Connecticut may be favored if reciprocity arrangements are continued.

Connecticut is nothing in a business way comparatively except for her manufactures.

We hope you can help us as to reciprocity if not on the tariff schedules and beg to thank you in advance for promised effort in this direction.

Free iron ore will help the iron manufacturers of Pennsylvania.

Please remember that no iron ore nor pig iron is used in the manufacture of bar iron in New England nor generally on the Atlantic seaboard.

What we want as iron manufacturers, here as elsewhere in New England, is free wrought-iron scrap, which is the raw material here for bar-iron making.

Scrap iron is a by-product and waste, not an article of manufacture. It ought never to pay a duty and no industry exists that produces it purposely for the market.

The duty on wrought iron scrap should be removed.

In steel making the best tool steels are dependent upon the use of Swedish charcoal bar iron, and we, as well as tool-steel makers in Pittsburg, are obliged to import it for such uses. The duty on charcoal iron bars should be reduced.

Iron masters will say they can make as good iron in this country as Sweden can produce. They can not do it except for the cheaper steels.

The ore does not exist in this country that is suitable for best steel making.

We do not object to the removal of duty from soft coal, but we do not want the miners of bituminous coal in Maryland and Virginia who supply New England killed off in consequence.

Anthracite coal pays no duty, but costs more than bituminous coal.

If you will examine the reports of some of these bituminous mining companies you will see they have had a hard time of it during the past few years.

Ad valorem duties in place of specific duties in this country will open the door for endless frauds on the revenue and honest importers by undervaluations.

Yours truly,

E. H. SEARS,
President.

BAR IRON.

(Paragraph 135).

BOSTON, *September 1, 1893.*

SIR: We understand that it is proposed by the Ways and Means Committee to place a duty of 25 per cent on iron of all kinds. We would like to call your attention to the effect of this on high-grade bar irons. These irons cost two or three times as much in England as American costs in America, so there is no question of protection as between them, and they are used largely in this country by the leading railroads solely on account of quality and for the element of safety which they give in locomotive work. They have no competition in American iron, as these qualities of iron are not made in this country. The cost of these irons is so high that an ad valorem duty of 25 per cent on bar iron of all kinds will advance the duty from one-tenth cent per pound up according to the value.

In view of the fact that these irons are not made in America, and, therefore, there is no question of protection, would it not be well, in case the ad valorem duty is put on, to have a proviso fixing the maxi-

mum rate which shall be paid by any bar iron? For instance, if the maximum rate is fixed at one-half cent per pound the American iron manufacturers will have a protection of 25 to 33 per cent, and the consumer of the high-grade irons, which are not made here, will get them at about one-half cent per pound less than he now pays.

The duties on high grade plate iron (item 138, tariff law) and on iron forgings for locomotives and steamboats (item 153) are particularly excessive and onerous. For instance, the duty on Low Moor iron plates is 2 cents per pound, which is a protection to American plate iron of 50 to 75 per cent. We think these duties on plates and forgings should be reduced at least one-half, and even then the American manufacturers would have a protection of 25 to 33 per cent.

Yours truly,

HOUGHTON & RICHARDS.

IRON AND STEEL SHEETS.

(Paragraphs 144, 145.)

STATEMENT OF MR. J. G. BATTELLE, REPRESENTING MANUFACTURERS OF IRON AND STEEL SHEETS OF THE UNITED STATES.

THURSDAY, *September 14, 1893.*

Mr. CHAIRMAN. We appear before you on behalf of the manufacturers of iron and steel sheets of the United States.

We do not undertake to represent the entire iron and steel industries of the country, as they have been generally, and as a whole, represented by the American Iron and Steel Association and otherwise.

Nor do we include the manufacture of tin and terne plates, which will be separately represented to-day, although some sheet manufacturers make tin and terne plates and back plates for coating with tin and terne mixture.

We omit also from our representation all boiler and tank plates. Sheets are broadly included between the gauges or thicknesses known in the trade as Nos. 12 to 30, inclusive.

Our products are iron or steel sheets, varying in width from 24 to 50 inches, and from 6 to 12 feet in length, and are used for making stovepipes, stamped ware for galvanizing, for corrugating, and for a variety of other purposes well known, but rarely for tinning.

The iron and steel sheet manufacturers above described have 200 finishing trains of rolls, having an average practical capacity of 2,000 tons each per annum, or a total annual capacity of 400,000 tons, which amounts in value, including galvanized sheets, to $24,000,000 annually. For the manufacture of these sheets the capital invested closely approximates $15,000,000.

The employés hitherto engaged in producing the output stated are over 13,000 in number, to whom wages have been paid amounting to more than $10,000,000 annually.

According to the usual rule of computation, our employés represent a total of 65,000 of our population.

At the present time the industry which we represent is suffering from a depression unparalleled, and, indeed, unapproached in its history, especially since its fuller development, which includes the last fifteen years.

As with all other occupations, the manufacture of iron and steel sheets has been seriously interfered with by the great financial distrust that has overspread the country, but the partial relaxation which has more recently occurred has not been met by a corresponding increase in business. Not more than one-third of the sheet-mill capacity is now in operation. Many of us have, in the ordinary course of our business (as sales are usually much greater in volume in the first half of each year) accumulated large quantities of sheets, which will, in the present outlook, prevent our operating our works in full, even if orders increase materially in the near future, owing to the uncertainties of tariff legislation.

We all remember how a change in the interpretation of the tariff about the year 1880 from 1½ cents per pound to 45 per cent ad valorem caused great loss to makers and holders of stocks of cotton ties, and a total removal of their manufacture from the United States to England.

The uncertainties regarding tariff legislation have suspended all orders for further construction of sheet mills and threatened the value of investments already made.

We are convinced that the financial legislation urged by the Administration will greatly improve the financial situation. But we are even more firmly convinced that any legislation on the metal schedule of the tariff will be injurious in the extreme to the interests which we represent.

We admit, and desire to emphasize the fact, that our selling prices are less in this country than the cost of sheets in Great Britain, plus freight, and plus present tariff and other costs added; but we claim that this is the universal rule in case of all protected goods made in this country, through the operation of competition among our manufacturers.

Where we have our investments and the wages proper for American citizen workmen protected, we have invariably reduced the cost to our customers below the apparent standard established by a protective tariff.

It will not do to argue that we therefore can dispense with a measure of the amount of protection granted us, which was, by the way, reduced by the tariff act of 1890.

For while the facts are clearly as above stated, relative to our selling prices, yet the course of prices everywhere is more or less irregular, as is also the classification in different countries, and, at times, certain grades could be imported for a period, owing to changing conditions in both countries, and thus we would constantly be threatened with conditions which would unsettle our entire business.

A tariff on a strictly revenue basis would destroy our business, for, to produce revenue, the tariff must be such that sheets can be imported freely at less cost than they can be afforded by American manufacturers.

We are firmly convinced that you, however much we may differ as to some methods, feel the interests of our country no less than ourselves, and that you can not commit yourselves to any course which must result fatally to this large and important industry. Therefore you must consistently grant us the continuance of a protective tariff, and if the tariff be protective, it should be thoroughly so, as is the tariff now in force.

The greatest need for protection to our industry arises from the higher wages paid in the United States as compared with foreign countries. The price for sheet rolling, for example, is $4.22 per ton in

England, and $10.65 per ton here. For sheet-bar heating 24 cents per ton in England and 63 cents per ton here. Puddling, $1.74 per ton there, and $5 per ton here. Sheet-bar rolling, 16 cents per ton there, and 45 cents per ton here. In Belgium and Germany, wages are still lower.

It has been urged upon us, "What difference will it make to you if the protective tariff is removed? You will then get your labor as low as in England and will do as well as you do now." Let us look at this practically. In the first place, the condition confronts us that American workmen will not submit to foreign wages except after long, bitter, and exhaustive contests.

Severe as such struggles must be on them, they will be only less severe on their employers, and the results of such strife may even threaten the peace of the nation. We have seen an exemplification of the possibilities of this in many instances familiar to all.

But we can not believe that you contemplate a system which will bring these ills upon us, and will hope and appeal to you to maintain that system of protection under which our industrial system has grown to be the greatest and most prosperous of any country at any time.

By our reciprocity treaty England has been practically barred out of Cuba and Porto Rico on bar iron, pipes, structural iron, and many other commodities, which are now purchased from the United States, and Cuban merchants inform us that Cuba imports more goods from the United States than are purchased from us by all the states of South America, Central America, and Mexico.

But the United States is the best market in the world. If we can preserve our own markets we can afford to leave such markets as we can not secure through reciprocity, to European competition.

We are encouraged to hope that the financial condition will be improved by the repeal of the Sherman law, but there can be no restoration of confidence while the tariff is being agitated. Hence we earnestly hope and pray that Congress may at least give us the assurance of a postponement in tariff legislation for a sufficiently definite time to give the country an opportunity to recover from the effects of the present depression.

The CHAIRMAN. Can you tell us the discrimination on our exports of bar iron, pipes and structural iron in Cuba and other countries where we have reciprocity treaties?

Mr. BATTELLE. Not definitely; but it is rather a lack of memory than knowledge, for I went through the matter when in Havana and figured it out exactly.

Mr BYNUM. The duty on black plates, such as you manufacture, is what?

Mr. BATTELLE. One cent and 1.4 cents.

Mr. BYNUM. Are not a good many of these plates imported and coated in this country?

Mr. BATTELLE. Those items are represented by Mr. Neidringhaus who succeeds me.

TIN PLATES.

(Paragraph 145.]

STATEMENT OF MR. F. G. NIEDRINGHAUS.

Mr. CHAIRMAN AND GENTLEMAN OF THE COMMITTEE: I have no written speech. I am here to make a few statements merely as to what I know about the much vexed question of tin plate. A little over twenty years ago the manufacturers of tin plate in England, their agents and importers, succeeded in having the duty reduced to a merely nominal one of a cent per pound, barely a duty for revenue only, and thereby they crushed out the small attempt at that time to manufacture tin plates in this country. Now, that same influence is at work to-day, not so much for the reduction of the duty on tin plate but mainly for the destruction of the tin-plate industry which really does exist in this country to-day. Millions of dollars have been invested and thousands of people are employed in the industry. The duty was raised under the last so called McKinley bill $1.20 per box. Now, on this $1.20 per box the English manufacturer reduced his price 50 cents a box, leaving the balance to be paid by the American consumer. But, however, it must be stated that the weight per box has been gradually reduced by the English manufacturer to about 90 pounds per box, and the American manufacturer (speaking now for my own company) furnishes 108 pounds per box, so that really, when you consider that, the price has hardly been advanced to the American consumer.

The prices we pay for labor are 150 per cent advance on the English price. The duty imposed is perhaps 70 per cent. Now, labor gets all of that duty imposed and 70 per cent in addition, or, in other words, the labor gets the benefit of all the duty and the natural advantages which we possess in America. If we had labor at English prices, with our natural resources, we can not only hold our own but we will beat them in their own market. Now, if duty on tin plate is reduced to the former duty before the last act it will reduce labor wages one-third. If it is put on the free list it will put it to less than one-half. It was not only putting on the duty, but the American Congress attached to that duty in the last act a five years' limit, to allow the manufacturers and those who were willing to risk their money five years' time to demonstrate whether plate could be manufactured in America. Now, that has been practically demonstrated, and the mystery in which this business was clothed at the beginning has disappeared. The manufacture of tin plate is one of the most simple manufactures imaginable, and I can call your honorable chairman to testify in that respect, because he worked at the trade himself at one time.

The CHAIRMAN. I made some in Mr. Niedringhaus's mill.

Mr. NIEDRINGHAUS. Now, it is not only American money that went into the manufacture of tin plate, but the largest English manufacturers have already transferred—at any rate there are tinneries on this side waiting for the party in power to see whether they shall also bring their iron works and help us to develop our American resources or not. Of course I am very closely acquainted with the manufacturers abroad, and they look with a good deal of hope for relief to the American Congress, and the more relief you give them of course the greater will be our burden. Now, if the duty should be reduced on tin plate it will not only destroy this industry. If it were, for instance, put on the

free list another important branch of the iron business would suffer, and that is the galvanized-sheet business, because those sheets could be slightly tinned and brought over free and would destroy that also. Now, I am not giving any statistics. My successor, I believe, will attend to that, so a summing up of the case would be looking at our own works. We have a capacity of about 700 boxes of tin plate per day. We have machinery on the ground which we will put in the old mill, and if we run it all it will give us a capacity of 1,000 boxes per day and give employment from the mine and forest to the finished sheet in the box to about 1,500 people, all of which, including works and ground and money invested in material and finished stock, amounts to nearly $1,000,000, but if the industry is destroyed the actual loss to machinery, tools, and fixtures of all kinds, which would be worthless, would be $400,000, as far as we are concerned.

Still another branch of the iron business I would merely allude to as a side remark, and that is the manufacture of glazed iron, enameled goods, under a duty of 45 per cent, which was not changed under the McKinley bill. Now, I exchanged notes with one of the manufacturers of Germany a month or two ago and I find that he hires three men to my one, virtually as good workmen, producing more, working longer hours than we do here, and all that being labor from beginning to end. They make their own iron and steel. There is a product that only costs him one-third of what mine cost me, and he paying only 45 per cent duty can come into the country readily, so that if there is any change made we will be obliged to transfer our factory to the other side, paying the duty and making more money than we can in hiring American labor.

It, therefore, lies within your power to destroy a vast quantity of property and sweep away the life earnings of the operators, and if so, where is the multitude of operators going? They must of necessity go into the field, and then raise cotton, corn, or wheat, and take away that incidental protection that those people have now as well as others, or else we will have to discount the American mind and muscle to the European standard and take from it the hope of independence and the love of home; or in other words double the power of accumulative capital to make the rich richer and the poor poorer. As far as we are personally concerned we do not take as gloomy a view of the case. We still have hope and trust in the honesty of the American Congress and implicitly in the Executive. So our works have started up and they will continue as long as we can find the money to pay the hands.

TIN PLATES.

(Paragraph 145.)

STATEMENT OF MR. W. C. CRONEMEYER, OF PITTSBURG, PA.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: When, in former years, I appeared before this committee to plead for the American tin plate-interests I had to make the statement that I represented an industry which did not exist in the United States. To-day I am happy to say that I represent an industry which does exist, and although it is yet very young (only about two years old) it is up to the present time a very healthy infant, which has grown vigorously

under the most adverse circumstances. I don't believe that any other industry, if ever so well protected, has been established so rapidly and with as few failures in the start as our young industry, and that in spite of its being called into life at the time of a serious depression caused by financial collapses in South America and England, and which had their reflex in this country, but the full force of which was happily averted because just at the time a tariff bill was passed by our Congress which filled our industries with new hope and our financial institutions with new confidence in the future of our industries. The tin-plate industry has grown in spite of a bill having passed the House of Representatives and hanging over our heads like the sword of Damocles repealing the very law which only a few months previous had called this industry into life.

The following is a list of names of firms who have embarked in the tin and terne plate manufacture during the last two years, and the amounts which, according to their last report, they have invested in their plants:

Firms or companies.	Location.	Amount invested in tin-plate plant.
A. A. Thompson & Co	New York, N. Y	
Aliquippa Tin Plate Co	Aliquippa, Pa	$22,250.00
American Stamping Co	Brooklyn, N. Y	14,811.65
American Tin Plate Machine and Manufacturing Co	Linfield, Pa	76,000.00
American Tin Plate Co	Elwood, Ind	300,000.00
Apollo Iron and Steel Co	Apollo, Pa	3,000.00
Baltimore Steel, Iron and Tin Plate Co	Baltimore, Md	
Britton Rolling Mill Co	Cleveland, Ohio	58,000.00
Blairsville Rolling Mill and Tin Plate Co	Blairsville, Pa	100,000.00
Cleveland Tin Plate Co	Cleveland, Ohio	12,000.00
Cincinnati Corrugating Co	Piqua, Ohio	2,000.00
Coates & Co	Baltimore, Md	
Cumberland Rolling Mill and Tin Plate Co	Cumberland, Md	90,000.00
Columbia Tin Plate Co	Piqua, Ohio	4,000.00
E. Morewood & Co	Gas City, Ind	125,000.00
Falcon Tin Plate and Sheet Iron Co	Niles, Ohio	110,000.00
Griffith & Cadwallader	Pittsburg, Pa	15,000.00
Gummey, Spering & Co	Philadelphia, Pa	25,000.00
Hughes & Patterson	do	
Indiana Tin Plate Manufacturing Co	Atlanta, Ind	
John Hamilton	Pittsburg, Pa	25,000.00
Kahn Bros	New York, N. Y	
Marshall Bros. & Co	Philadelphia, Pa	125,000.00
Matthar, Ingram & Co	Baltimore, Md	
McKinley Tin Plate Co	Wilkinsburg, Pa	30,000.00
Merchant & Co	Philadelphia, Pa	2,000.00
Moorewood Tin Plate Manufacturing Co	Elizabeth, N. J	85,000.00
N. and G. Taylor Co	Philadelphia, Pa	400,000.00
Norton Bros	Chicago, Ill	400,000.00
New Castle Tin Plate Co	New Castle, Pa	200,000.00
Norristown Tin Plate Co	Norristown, Pa	
Phillips Tin Plate Co	Philadelphia, Pa	
P. H. Laufman & Co	Apollo, Pa	50,000.00
Pittsburgh Electroplating Co	do	
Pittsburgh Tin Plate Works	New Kensington, Pa	23,147.42
Record Manufacturing Co	Conneaut, Pa	30,000.00
Jas. B. Scott & Co	Pittsburg, Pa	10,500.00
St. Louis Manufacturing Co	St. Louis, Mo	400,000.00
Somerton Tin Plate Works	Brooklyn, N. Y	258,640.50
U. S. Iron and Tin Plate Manufacturing Co	Demmler, Pa	250,000.00
Wallace Banfield & Co	Irondale, Ohio	250,000.00
Total		3,496,379.57

I could not ascertain the investment of ten of these above firms.

The following figures, taken from Special Agent Ayer's report, will illustrate more clearly the growth of this industry:

	Pounds.	
First year.		
Quarter ending—		
September 30, 1891	26, 922	
December 31, 1891	1, 409, 821	
March 31, 1892	3, 209, 225	
June 30, 1892	8, 200, 751	
		13, 646, 719
Second year.		
Quarter ending—		
September 30, 1892	10, 952, 725	
December 31, 1892	19, 756, 491	
March 31, 1893	29, 566, 399	
June 30, 1893*	35, 000, 000	
		95, 275, 615
Total		108, 922, 334

The product in the last quarter of the fiscal year 1893 was 4,232 times greater than the production in the first quarter of the fiscal year 1892. Did you ever hear of any other industry increasing to such an extent within two years?

The recent ruling of Secretary Carlisle is another damper on the progress of our industry, to which I shall refer again later on.

The reason why this industry was not developed before was because never before the McKinley bill was passed did the industry receive equitable treatment and consideration by the United States Government, and without that it could not exist. An erroneous Treasury Department decision, the misplacement of a single little comma, caused probably by the lack of knowledge of the Secretary then in office as to what tin and terne plate consisted of, has retarded to the extent of a full quarter of a century the development of an immensely valuable industry.

I suppose all of you gentlemen are by this time sufficiently informed as to what tin and terne plates are, so that I need not go into details about the process of manufacture. I will simply exhibit a few samples, which will show you, first, the pack of sheets as it comes from the rolling mill; second, the pickled and annealed sheet; third, the pickled and cold-rolled sheets (finished black plate); fourth, the bright tin plate, coated by oil process; fifth, bright tin plate, coated by acid process; sixth, three grades of terneplate, with more or less coating of the terne mixture.

Mr. BRECKINRIDGE. Are these American or imported?

Mr. CRONEMEYER. These are American. This is what we call the coke plate. This is coated by an acid process, and here are several grades of terneplate.

Mr. BRECKINRIDGE. Is this the first stage of these sheets?

Mr. CRONEMEYER. Those are the sheets after we roll them and get them from the mill. We get eight sheets together out of the mill.

Mr. BRECKINRIDGE. I see there is a difference in color?

MR. CRONEMEYER. Yes, sir; some sheets catch a little air. That is black oxide.

Mr. BRECKINRIDGE. These are supposed to be in the same general condition?

Mr. CRONEMEYER. Yes, sir; just about the same common condition. On some of them are a little oxide formed in the rolling that we have to take off afterwards so we can tin them. If the committee desire,

* Estimate of Col. Ira Ayer.

we have some of these little pamphlets which we call our World's Columbian Exposition pamphlets, which gives briefly a description of the process.

Through the law of 1890 the industry was granted protection by an import duty which is in harmony with the rate of duty levied on the products which enter into the manufacture of tin and terne plate, and this is the first time our industry has ever been accorded equity and justice.

Some of the people who were ready and willing to invest their capital, knowledge, skill, energy, and labor in this industry as soon as equity was granted did so. Others, however, were scared by the passage in the House of the Bunting bill, already alluded to. The Spooner amendment to the tin-plate clause, which was made in the Senate, has, however, acted as a strong stimulant to the rapid development. This amendment reads:

Provided, That on and after October 1, 1897, tin plates and terneplates lighter in weight than 63 pounds per 100 square feet shall be admitted free of duty, unless it shall be made to appear to the satisfaction of the President (who shall thereupon by proclamation make known the fact) that the aggregate quantity of such plates lighter than 63 pounds per 100 square feet produced in the United States during either of the six years next preceding June 30, 1897, has equaled one-third of the amount of such plates imported and entered for consumption during any fiscal year after the passage of this act, and prior to said October 1, 1897: *Provided*, That the amount of such plates manufactured into articles exported, and upon which a drawback shall be paid, shall not be included in ascertaining the amount of such importations: *And provided further*, That the amount of weight of sheet iron or sheet steel manufactured in the United States and applied or wrought in the manufacture of articles or wares tinned or terne plated in the United States, with weight allowance as sold to manufacturers or others, shall be considered as tin and terne plates produced in the United States within the meaning of this act.

Several of the parties interested objected to this amendment as a cumbersome rider which would have the effect of deterring many from investing their money, for fear that the limit could not be reached. Others, however, who had full confidence in the resources and ability of this country, accepted the provision readily, especially as we received the assurance that if such was enacted into law no change could be made until the time had expired. The result was that immediately after the passage of the McKinley bill an association was formed, the main purpose of which was the dissemination of knowledge regarding the manufacture of tin plates and to otherwise encourage capitalists to invest their money in this industry. Those who had already facilities for manufacturing tin plate threw open their works for inspection to those who contemplated becoming competitors. In short, we had to invite competition.

There are now forty-two firms engaged in the manufacture of tin plate, and while they are friendly and impart knowledge to one another readily, not once has there been a suggestion made that we should combine to force higher selling prices, all assertions to the contrary notwithstanding.

Under the plea that we had six years' time to demonstrate what we could do, the association of which I am now the president has induced many of the above-named firms to embark in the business, and as far as we on the manufacturers' side are concerned, we had honestly no doubt that this promise would be kept, for we consider the law as passed a solemn, binding contract between the United States Government and whoever would invest his money in a tin-plate manufacturing plant.

To our regret we learned at the time the Bunting bill was passed by *the House of Representatives* that we could not have any legal redress

in case that the bill became a law, and the consequence was that millions of dollars which would otherwise have been invested were withdrawn. If it had not been for the Bunting bill and the agitations of the importing interests we, for our part, would very likely have filled the full conditions of this agreement already during the last fiscal year. As it now stands, we have produced last year nearly 50,000 tons, when the law requires us to produce 85,000 tons to meet the provision.

And, gentlemen, we feel, and the people of the United States will certainly side with us, that while we have no law by which we can compel the United States Government to live up to a contract, the moral obligation on your part as lawmakers remains all the same.

We, for our part, have so far kept our promises. We have established the industry. We have not advanced the prices by combination or trust. We have paid our workmen the wages we promised to pay, and our selling prices at present are about as low as the average at which consumers have bought during the last ten years, all of which we hope to be able to prove to you by statistics and facts.

I append a table copied from report furnished by the N. & G. Taylor Company, of Philadelphia, to the Bureau of Statistics.

Values IC, 14 by 20, 112 sheets, f. o. b., Liverpool or English shipping ports; cash, less 4 per cent.

Year.	Melyn grade tin.		Coke tin.		Year.	Melyn grade tin.		Coke tin.	
	Highest.	Lowest.	Highest.	Lowest.		Highest.	Lowest.	Highest.	Lowest.
	s. d.	s. d.	s. d.	s. d.		s. d.	s. d.	s. d.	s. d.
1865	30 6	24 0	24 0	20 6	1879	27 0	19 0	23 0	14 6
1866	32 6	28 6	26 0	21 0	1880	34 0	20 0	30 0	14 6
1867	28 0	26 0	24 0	21 0	1881	21 0	19 0	18 0	14 0
1868	27 0	25 6	22 0	20 6	1882	21 0	19 9	18 0	15 6
1869	28 0	25 6	23 0	21 0	1883	20 6	19 0	16 6	14 0
1870	27 0	25 6	22 6	21 0	1884	19 0	17 0	15 6	14 0
1871	31 0	27 0	26 6	22 6	1885	18 0	16 0	15 0	12 6
1872	46 0	32 0	40 0	28 0	1886	18 0	15 6	14 0	12 3
1873	42 6	36 0	35 0	25 0	1887	19 6	16 0	15 0	12 6
1874	37 0	34 6	29 6	26 0	1888	19 6	15 6	14 9	12 9
1875	35 0	25 6	27 0	20 0	1889	20 6	16 0	16 0	12 9
1876	27 0	23 0	21 6	18 6	1890	21 0	18 6	17 9	13 3
1877	22 6	20 0	19 0	17 0	1891	22 6	16 0	18 0	12 0
1878	20 0	19 0	17 0	13 0					

Values IC, 14 by 20, in store, Philadelphia or New York; cash, less one-half per cent.

Year.	Melyn grade tin.		Coke tin.		Year.	Melyn grade tin.		Coke tin.	
	Highest	Lowest.	Highest.	Lowest.		Highest.	Lowest.	Highest.	Lowest.
1869	$9.00	$8.25	$7.25	$7.00	1881	$6.625	$6.00	$5.75	$4.875
1870	9.00	8.25	7.75	7.00	1882	6.50	6.25	5.50	4.875
1871	9.375	8.25	8.375	7.125	1883	6.375	6.25	5.125	4.875
1872	13.75	9.50	12.50	8.25	1884	6.00	5.75	4.875	4.50
1873	12.59	9.75	10.50	9.50	1885	5.75	5.50	4.75	4.25
1874	11.00	9.625	8.75	7.50	1886	5.75	5.375	4.50	4.25
1875	10.09	7.50	7.875	6.25	1887	6.125	5.50	4.75	4.25
1876	7.375	7.00	6.625	5.875	1888	6.125	5.375	4.75	4.375
1877	6.875	6.125	6.00	5.375	1889	6.375	5.50	5.125	4.375
1878	6.125	5.875	5.375	4.625	1890	6.50	6.125	5.75	4.50
1879	8.375	5.875	7.50	4.875	1891	7.00	6.50	5.875	5.125
1880	10.00	6.00	8.625	4.875					

The present price in England of Melyn grade tin is 15*s.* and of coke tin 11*s.* 9*d.* to 10*s.* 9*d.* In New York or Philadelphia Melyn grade tin, $6.25; coke tin, $5.25 to $5.

The average price in England of Melyn grade tin over the last ten years is 18*s.* and the average price of coke tin 14*s.* 4*d.*

Very truly, yours,

N. & G. TAYLOR COMPANY.

S. G. BROCK, *Esq., Chief of Bureau of Statistics, Washington, D. C.*

Mr. BYNUM. The price had been greatly reduced at the time the McKinley bill was passed from what it was ten years ago?

Mr. CRONEMEYER. The prices had gone down.

Mr. BYNUM. We got a higher average going back for ten years?

Mr. CRONEMEYER. Yes, sir; by taking the ten years.

Gentlemen, we having honestly endeavored to keep our promises, we have a moral right to demand of you that you will not commit a breach of contract by repealing the tin-plate clause of the tariff law of 1890 previous to the 1st of October, 1897.

The late decision of the Secretary of the Treasury, referred to above, would, if maintained as just and correct, necessitate a little more time in which we could reach the specified limit, but if you will guarantee to us at your present session that the law shall not be interfered with we will not find it very difficult to induce sufficient more capital to invest in rolling mills to not only produce one-third but three-fourths of the consumption with strictly American black plate before the expiration of the limit set by law.

Another point of equity which I desire to make is that the present duty on tin plate is not more than a consistent pro rata duty as compared with other products which enter into the manufacture of tin plate, or which are similar in their substance, to wit:

	Selling price per net ton at mine or mill in this country.	Rate of duty.	Equivalent ad valorem.
			Per cent.
Iron ore	$2.00	$0.75	[illegible]
Pig metal	12.00	6.00	[illegible]
Steel billets	20.00	8.00	[illegible]
Bars	25.00	10.00	[illegible]
Common sheet iron, No. 24 gauge	50.00	22.00	[illegible]
Common sheet iron, No. 30 gauge	64.00	28.00	[illegible]
Pickled and cold-rolled sheets, No. 30 gauge	75.00	33.00	[illegible]
Galvanized sheet iron, No. 30 gauge	95.00	43.00	[illegible]
Tin and terne plate, cheapest quality	100.00	44.00	[illegible]

Again, I will say, I plead for nothing more than equity.

The duty which has been placed on all of these articles is intended to overcome the difference of the cost in this and foreign countries of labor, machinery, and supplies, rate of interest, and running expenses, and if that policy is correct as to other products why should it not be correct as to tin and terne plate?

The following is a table which I have clipped from a pamphlet edited by Mr. Joseph D. Weeks, of Pittsburg, Pa., which, although perhaps not absolutely correct, gives you a fair idea of the difference of the cost here and abroad:

Comparative estimate of cost of 16½ boxes IC 14 by 20 tin-plate in Wales and the United States.

Materials, labor, and cost.	Welsh cost, English money.	Equivalent in American money.	Estimated cost in the United States.
	£ s. d.		
1 ton steel, 7 by ⅞ bars	5 2 6	$24.60	$35.84
Less 486 pounds shearings	9 0	2.16	2.34
Available at	4 13 6	22.44	33.50
Rolling	4 6	1.08	4.85
Behinding (catching)	1 3	.30	.....
Doubling	3 8	.88	2.47
Furnacing (heating)	3 1	.74	2.10
Shearing	1 8	.40	2.43
Opening	1 0	.24	.76
Cold rolling	1 0	.24	.82
Annealing	1 6	.36	.82
Pickling	1 8	.40	1.65
Tinning	4 0	.96	1.98
Washing	4 0	.96	1.82
Rising	1 2	.28	.68
Rubbing and dusting	1 0	.44	1.23
Assorting boxes, etc	2 6	.60	1.65
2½ pounds tin per box, or 41¼ pounds per 16½ boxes	1 14 4½	8.25	8.71
Allowances for scruff	1 6	.24	.27
Coal	6 6	1.56	1.80
Acid	6 0	1.44	1.84
Palm oil	6 6	1.56	1.32
Wood boxes	6 1½	1.45	1.55
Bran and middlings	2 6	.60	.60
Annealing boxes (wear and tear)	1 4	.32	.82
Castings, etc., in the different departments (wear and tear)	3 0	.72	2.00
Management and clerks	2 0	.48	1.50
Other labor and trade expenses	6 0	1.44	4.50
Rates, taxes, and bank charges	3 2	.76	1.25
Cost of 16½ boxes	10 4 9	49.14	80.92
Cost of 1 box	12 6	2.97	4.90

In this table the cost per box in Wales is estimated at 12*s.* 6*d.*, but only a few days ago I had a visit from Mr. Edwards, an extensive tin-plate manufacturer of South Wales, who assured me that the total cost of cheap coke plate at his works did not exceed 10*s.* per box, which in America would be about $2.42 per box, or not much more than the duty levied in this country. I have not the least doubt of the truthfulness of Mr. Edwards's assertion. The conditions in Wales have not materially changed in late years, and consequently the same cost price must have ruled for some time. Previous to the enactment of the McKinley bill the duty was 1 cent per pound, or $1.08 per box. This added to the cost of tin plates at mill in Wales would make the total $3.50, yet the lowest average selling price of coke plates in this country during the eleven years 1881–'91 was according to the table of the N. & G. Taylor Co., as given before, $4.86, or just $1.36 more than the cost at mill in Wales plus the duty. Who received that amount, which as a remarkable coincidence is within 2 cents the same as the additional duty which was put on tin plate by the McKinley bill? Somebody has been taxing our consumers to the same extent all along, but the amount did not go into the United States Treasury. Sombody else has been receiving this tax for revenue only.

Now, gentlemen, is it not much more desirable that this revenue should flow into the United States Treasury instead of into the pockets of foreign manufacturers and importers? During the fiscal year ending June 30, 1893, there were imported into the United States 628,425,902 pounds of tin plate, paying duty at 2.2 cents, or a total of $13,825,369.84. Is not this a pretty good revenue duty, especially when you consider the fact that such duty has given incidental protection to a new industry,

and that besides the importations there were produced in this country 95,275,615 pounds, and that the selling prices at the present time of the cheapest grade of plate referred to in the above table is only $5.20, or only 34 cents above the lowest average.

The great cry of our antagonists, that the new duty would seriously enhance the cost of the workman's dinner pail, has not been verified as yet. Tin ware to-day is cheaper than ever before.

I have some letters which I wish to file with this paper, and in those letters you will find comparative prices of what it has been in 1890 and 1893. Here is an oval tin bucket which in 1890 sold at $4.32 per dozen, and in 1893 it was $3.25 per dozen. Now, that is the ratio, and I believe that one gentleman here has still further evidence of that fact, and we can fully demonstrate that household tin-ware is cheaper to-day than ever before. If you conclude to reduce the duties on imports again it may be possible that the cost of the dinner pail will be still lower for a short period of time, but will the workman in such case have anything to put into his pail? And if, on account of the reduction in duty, all the tin-plate works in the United States have to shut up shop again, and will have to withdraw from competition, will not the foreign manufacturers and importers put on the tax again for their own benefit?

When, previous to the passage of the McKinley bill, I had made the assertion that we could make tin plate and sell at ruling prices, provided we were protected against severe foreign competition, I was severely criticised by several newspapers, as well as by certain members of the House, because I admitted we could meet present prices, and still insisted that we should rob the people by still higher duties. Those gentlemen took it for granted that the American manufacturers will always charge extortionate prices, but that the foreign manufacturer is so conscientious that he never takes more than a very small margin above his cost. Human nature, or the nature of business men, is the same the world over.

Every one will endeavor to get the highest possible price for his product, no matter how low the cost of production is, and only the force of competition will bring down selling prices. While we do pay much higher rates of wages, our selling prices in this country and the selling prices of foreign manufacturers to consumers in their own country or in countries in which they have no fear of competition do not show the same great difference. The export invoice values can not be taken as an exact basis for the market price. Every manufacturer who has large facilities must seek for a dumping ground on which to unload his surplus product. The United States, with its large consuming capacity, is the dumping ground for European manufacturers whenever they have a surplus product. The demand in each importing country makes the invoice value at the foreign port. Therefore if you want to protect us at all the rate of duty must be such that will protect us, especially in times of severe depression. The simple difference in wages will hardly be sufficient to protect us from an invasion of foreign goods whenever dull times set in in foreign countries, but we shall be satisfied if you will maintain the present ratio, which means that if you reduce the duty all along the line of the goods comprising the cruder forms of material, we shall be compelled to make an average reduction of 3 per cent in wages all along the line for every one-tenth cent of a reduction in the rate of duty. If you put it back to the old rate of duty as provided in the Bunting bill, *which is 1.2 cents* per pound lower than at present, we must have

wages 36 per cent lower. If you put it on the free list we would have to have our labor 66 per cent lower than now, and then we would pay about the same wages which are now paid in European countries, and we would be still at a disadvantage by having to pay 6 per cent for money against 2½ to 3 per cent. at which money can be had in most European countries, by a depreciation in the value of our plants, and by having to pay much higher rates of railroad freight to points which can be reached from Liverpool or Swansea cheaper by ocean vessels.

I desire your attention to the significant fact that most of the importers who have been antagonizing us do not desire tin plate on the free list. They want a duty of 1 cent a pound because that is a protection to their business. It requires ready cash to pay the duty, and if it were not for that every small dealer could do his own importing. Hence, it shows that a low rate of duty protects the importer; but does the importer distribute the proceeds of his business amongst our own people and workmen the same as the manufacturer? No; therefore, if there shall be any protection at all, place it where the most people are benefited and where it will yield the largest incidental revenue.

To-day there are very few consumers or users of tin and terne plates who are opposed to the present rate of duty. To the contrary, the large majority of them have changed their sentiments in our favor. As proof of this fact, I will produce only one letter, but this one is but a sample of hundreds more which I can produce if you demand:

BERNARDIN BOTTLE CAP COMPANY,
Evansville, Ind., September 9, 1893.

DEAR SIR: I am in receipt of your letter of the 4th instant and fully note its contents. You ask for the views of our company in regard to the present tariff on tin plate. Answering you candidly, for eighteen months after the passage of the McKinley bill we looked upon this additional duty of 1.2 cents per pound on tin plate as an outrage. This additional duty made a difference of about $8 per day on the tin that we used. Being aware that the trade would not stand an advance on our prices, and our profits already being small, you will readily understand that this was quite a loss to us. About eighteen months ago, when all the newspapers of the country were filled with tin-plate statements, the Democratic papers saying that the American tin-plate industry was a myth, and the Republican papers were boasting of the progress that was being made in this direction, not knowing which to believe, and being anxious to know the true state of affairs, I concluded to make a tour of investigation, and to go to the tin-plate mills direct and see for myself what was being done. I first visited the Apollo Iron and Steel Company, of Pittsburg, then the United States Iron and Tin Plate Company, of Demmler, Marshall Bros., of Philadelphia, Pa., the Britain Tin Plate Company, Cleveland, Ohio, and the plant at Elwood, Ind. At all those points, I saw both the black plate rolled and tinned, asking for quotations from all these firms as I went along, which resulted in placing my order with your concern, from whom we have since bought our entire supply, an average of about 200 boxes per month, at a cost of about 55 cents per box over the lowest price we had ever paid for imported tin prior to the McKinley tariff bill going into effect, and we consider the quality of the American tin equal to this difference over the imported.

In conclusion, notwithstanding that I have been a lifelong Democrat, it would pain me very much to see any changes on the present duties made, which would have a tendency to cripple the present American tin-plate industry, and to cause those beautiful mills that I have seen to shut down, and once more be compelled to use the rotten English tin-plate that was dumped on this market before this great undertaking of supplying the American market with Amerincan tin plate.

I feel confident that within a year or two at the most, if you are not disturbed by legislation, we will be able to buy our tin-plate from the American mills for less money than we have ever paid for the imported.

Very truly, yours,

A. L. BERNARDIN.

Mr. DALZELL. What do those people do?

Mr. CRONEMEYER. They use it mostly in making bottle caps and

soda water and beer bottles, and also in the canning business, canning fruits.

Mr. BYNUM. What is the last industry he states there as having visited?

Mr. CRONEMEYER. I think it is the Britain Tin Plate Company.

Mr. BYNUM. Where?

Mr. CRONEMEYER. Cleveland, Ohio.

Mr. TURNER. What was the price of tin plate when you appeared before the committee in regard to the previous bill?

Mr. CRONEMEYER. The price of these coke plates?

Mr. TURNER. Seven and a half dollars, was it not?

Mr. CRONEMEYER. No, sir; on these plates I have been speaking of it was about $5.50.

Mr. TURNER. I am talking about the better grade.

Mr. CRONEMEYER. The charcoal grade? The better grade plates were then about $7.50; but it was a short period at which those prices ruled, and previous to that the prices had been $6.35 and $6.50.

Mr. TURNER. What was the grade you priced at $5.50, the I. C.?

Mr. CRONEMEYER. Yes, sir, which is now sold at about $5.20 a box.

Mr. TURNER. What is the other grade selling at now?

Mr. CRONEMEYER. The other grade is selling at about $6.20, sometimes lower than that. At the present it would be a good deal lower, but the selling price during the last six months would be about $6.25 to $6.50 at the mill.

Mr. TURNER. You gave in your statement, I believe, of prices since

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Mr. CRONEMEYER. From 1865 to 1891.

Mr. TURNER. Taking that scale as a whole, it was a descending scale, was it not?

Mr. CRONEMEYER. That is practically so; but, still, at the same time it shows there were periods when it was high. In 1870 it rose up very high, and then it went down until 1879, and then it rose up again, and ruled high for sometime, and then it went down again. It has fluctuated all along the last eleven years in a ratio, say from about $4.50 to $5.50 a box, going up and down all the time.

Mr. TURNER. The general tendency, though, has been downward and prices have generally tended downward?

Mr. CRONEMEYER. Naturally so; it is true that the raw material entering into tin plates has been cheapened somewhat. That is, we can now use steel where we had to make charcoal iron. The manufacture of charcoal iron was very expensive.

Mr. TURNER. The materials entering into it during the period you have named, have cheapened, not counting the labor?

Mr. CRONEMEYER. In this way, steel has been substituted for charcoal iron.

Mr. GEAR. Is it just as good?

Mr. CRONEMEYER. Yes, sir; and the fact is, it is more homogeneous, more uniform.

Mr. PAYNE. When was it made?

Mr. CRONEMEYER. It goes back to about 1875 or 1876, and I will say I believe the first time tin plates were made out of steel was in the United States right at our works. The little pamphlet we have given you gives those facts.

Mr. TURNER. It gives these details?

Mr. CRONEMEYER. Yes, sir; some of them are right in that pamphlet *I have handed you.*

Mr. TURNER. How great were these fluctuations you have spoken of; can you state that?

Mr. NIEDRINGHAUS. In 1879 and 1880 it was about double the present price.

Mr. CRONEMEYER. Yes, that is right. In 1872 it went to the highest point, $13.75, and then it went down to $6.12½, and it went up again in 1880 to $10.

Mr. TURNER. Is that I. C.?

Mr. CRONEMEYER. Yes, sir; of the better kind. In 1881 it came down again to $6, in 1882 to $6.25, in 1884 to $5.75, and in 1890 it was again $5.75, and that is the lowest price.

Mr. TURNER. Since 1879 the price has run from $12 down to $4.50.

Mr. CRONEMEYER. According to this list it ran down from $10, and it was at one time as low as $5.37. That is the lowest price it ever reached, and that is in 1886.

Mr. TURNER. In your statement made before the committee of which Mr. McKinley was chairman you stated:

> It ran from $12 to $4.50, and then it fluctuated between $4 and $6 and $7.50, and as high as $9 in 1879.

Is that your statement?

Mr. CRONEMEYER. I believe I explained it in this way. I have given a statement I took from the Bureau of Statistics, while that one was a statement of prices paid by the people in the trade.

Mr. TURNER. I do not mean to pursue any slight discrepancies of that sort; that is not my idea.

Mr. CRONEMEYER. That is the reason why it is. I did not have access while writing this paper to the statistics I gave in before.

Mr. TURNER. Summing it all up, the general tendency of the tin market was downward?

Mr. CRONEMEYER. It was for the reasons I have stated. We got cheaper material to make it from.

Mr. TURNER. The general tendency of prices have been downward all over the world, I believe, for most manufactured products?

Mr. CRONEMEYER. Yes, sir.

Mr. TURNER. Now, at the time we are talking about, during that period there was no American manufacture of these tin plates?

Mr. CRONEMEYER. The American tin plate was manufactured in 1873 to 1875. Then again from 1877 to 1879 we manufactured some.

Mr. TURNER. You perhaps do not understand what I mean. There was not enough manufacture of American tin to produce any effect upon the market?

Mr. CRONEMEYER. No, sir; we had to begin it.

Mr. TURNER. That is all I am asking. The high prices went down, although the Welsh tinners had a comparative monopoly of the market?

Mr. CRONEMEYER. Yes, sir; at the same time we were ready to go into business as soon as prices ran to such an extent we could make anything. We have been agitating that question for the last twenty years, and the fact is that agitation had a great deal to do with keeping those prices down.

Mr. TURNER. At any rate the American consumer did not have to pay prices for tin higher and higher, but he had to pay lower and lower?

Mr. CRONEMEYER. That is right; like every other commodity that has been made in late years it has been cheaper than in former years.

Mr. TURNER. When you began to make the American article of tin

and compete with the imported tin, why is it that, according to the theory of protection, tin has not gone down?

Mr. CRONEMEYER. We are only two years in the business, and we have brought it from $7.50 to $6.25 for the higher, and the other from $5.80 before the passage of the McKinley bill down to $5.20. We have brought it down in this way. There was an additional duty placed on tin per box of $1.37, and the difference in the United States is it only pays 35 to 50 cents of what it was before. On the prices in England for can tin, as you will see by that table, it was reduced from 14 shillings 6 pence to 10 shillings 9 pence on their side.

Mr. TURNER. The price has gone down over there?

Mr. CRONEMEYER. Yes, sir, almost to the extent of our duty.

Mr. TURNER. Now, is the present price in this country due to the tariff or due to the prices of these goods on the other side?

Mr. CRONEMEYER. I think it is due to the prices that the American manufacturers established. The English manufacturer comes in here and meets our prices, and it does not make any difference how low we sell he will have to put his prices the same as we do in order to make sale.

Mr. TURNER. So you regulate the price on this side?

Mr. CRONEMEYER. I suppose to some extent we regulate prices here by whatever prices we sell at. That is, if we reduce prices, they must follow accordingly.

Mr. TURNER. As a matter of fact have you during any one year since the passage of the McKinley act made of tin plate lighter than 63 pounds to the hundred square feet as much as one-third of the amount of plate imported and entered for consumption during any year since this act passed?

Mr. CRONEMEYER. No, sir; not yet. The law gives us six years time to demonstrate we can do it.

Mr. TURNER. How near have you come to it?

Mr. CRONEMEYER. Well, as I stated before the requirements will be about 85,000 tons and we have reached 50,000 tons already. If it had not been that this Bunting bill was passed in the House we would have had perhaps $3,000,000, $4,000,000, or $5,000,000 invested in that interest in making black plate.

Mr. TURNER. Do you mean by that estimate the tin made out of imported black plates?

Mr. CRONEMEYER. Yes, sir.

Mr. TURNER. How much American tin plate is made out of American black plate?

Mr. CRONEMEYER. That statement shows it was about half of that 95,000,000 pounds, perhaps a little more than one-half will be American black plates.

Mr. TURNER. Was there not a practice of the late administration of allowing this drawback of 99 per cent on tin made of imported black plate?

Mr. CRONEMEYER. I have never heard of it; I do not believe so.

Mr. TURNER. You are aware there has been a recent Treasury decision that tin made of those black plates imported was not tin plate entitled to a drawback?

Mr. CRONEMEYER. I did not know that. I understood the decision was it was not to be considered as American product in counting up our total.

Mr. TURNER. I am speaking of another point. You are aware of *this late Treasury* decision?

Mr. CRONEMEYER. Not the one you refer to.

Mr. TURNER. I refer to the one recently made. Then I recur to the other question I made as to whether there was under the former administration a practice of allowing a drawback on tin plates exported when it was made of foreign black plate imported?

Mr. CRONEMEYER. Well, before the passage of the McKinley bill——

Mr. TURNER. I am talking about the operation of this previous to the McKinley bill. You perhaps are not familiar with that drawback?

Mr. CRONEMEYER. I did not have anything to do about it because we are in the inland country and we have nothing to do with the exports.

Mr. TURNER. I think you are in some sort the father of the enterprise?

Mr. CRONEMEYER. Well, some people think so. I have been working at this thing for the last twenty years.

Mr. TURNER. Where do you get your labor?

Mr. CRONEMEYER. Right around the works there.

Mr. TURNER. Are they people you have trained?

Mr. CRONEMEYER. A great many of them. We have people in our mills of all nationalities; we have Americans, Germans, Welsh, English, Irish, Swedes, Hungarians, and a few Italians.

Mr. TURNER. Do you get your labor from the other side?

Mr. CRONEMEYER. We have a few that have been doing work on the other side, but we find our American boys can learn just as quick as any of them, and perhaps they are more apt to than those we get from abroad.

Mr. TURNER. Your American labor performs all these operations?

Mr. CRONEMEYER. These people we have in our works there by this time, a great many of them that came from foreign countries, very nearly all are American citizens, if not, all have declared their intentions of becoming such.

Mr. TURNER. They have become so since entering into your employment?

Mr. CRONEMEYER. Yes, sir; we take some little pains to ask these people if they intend to become American citizens.

Mr. GEAR. You have American citizens engaged in all branches of your departments?

Mr. CRONEMEYER. Yes, sir; along with the others.

Mr. TURNER. What kind of people do you employ in that part of your process which I believe you call pickling, which is, I understand, the stage in which you use the sulphuric acid?

Mr. CRONEMEYER. Yes, sir; we do that by machinery mostly; but that of course takes a little handling, but the injurious part of the work is done by machinery.

Mr. TURNER. That is done by hand largely on the other side.

Mr. CRONEMEYER. They have adopted machinery, too, largely of late.

Mr. TURNER. This new machinery?

Mr. CRONEMEYER. The machines we have are an American product.

Mr. TURNER. Originally patented?

Mr. CRONEMEYER. Perhaps two years ago. Soon after the passage of the McKinley bill.

Mr. TURNER. Who owns the patents?

Mr. CRONEMEYER. The Leechburg Foundry Company.

Mr. TURNER. You do not have to pay a royalty?

Mr. CRONEMEYER. No, sir; we pay only one price and that settles the whole thing.

Mr. BRECKINRIDGE. What is the price of I. C. tin at your mill now?

Mr. CRONEMEYER. The better grade we sell for $6.20 at our mill, charcoal grade.

Mr. BRECKINRIDGE. Now, what is that same grade worth in a mill in Wales?

Mr. CRONEMEYER. The price would be in Wales about 14 shillings.

Mr. BRECKINRIDGE. That illustrates, I presume, about the difference between all classes of tin, does it not?

Mr. CRONEMEYER. I did not catch your question.

Mr. BRECKINRIDGE. The difference between these two articles would indicate about the difference between the other grades?

Mr. CRONEMEYER. The price of these cheaper coke plates would be over there about 11 shillings, and 11 shillings would be about $3.55.

Mr. BRECKINRIDGE. That is the less valuable grade?

Mr. CRONEMEYER. Yes, sir; and the one that is most used for canning.

Mr. BRECKINRIDGE. What is your price for that?

Mr. CRONEMEYER. Our prices would be about $5.20, that is, taking the average price. I do not want to give prices that we would sell at now, because we have to sell at almost any price we can get in order to get some money.

Mr. BRECKINRIDGE. Have you given us the list of prices running back for some time?

Mr. CRONEMEYER. Yes, sir.

Mr. DALZELL. Do you make black plates at your works?

Mr. CRONEMEYER. Yes, sir; we make all of our tin plates.

Mr. DALZELL. You do not use any imported black plates at all?

Mr. CRONEMEYER. No, sir.

Mr. DALZELL. I understand that practice prevails among tin-plate works in the country that they make their own black plates.

Mr. CRONEMEYER. They have their own rolling mills to make plates.

Mr. DALZELL. Aside from that altogether, there are establishments which do no tinning, but make black plates?

Mr. CRONEMEYER. Yes, sir.

Mr. DALZELL. And sell to the trade to be tinned?

Mr. CRONEMEYER. Yes, sir; they sell to those people whom you see in the reports use partly American black plates and partly imported.

Mr. DALZELL. There is no trouble about our making all the black plates necessary?

Mr. CRONEMEYER. Not at all; the only trouble is to have money to put in building mills, and money is not invested at present in this industry, because people fear there may be some tinkering done with the duty.

Mr. DALZELL. Were not many of our establishments which existed prior to the McKinley bill capable of being turned into black plate establishments by the expenditure of a very small amount of money?

Mr. CRONEMEYER. So they were.

Mr. GEAR. It is simply a set of rolls?

Mr. CRONEMEYER. Yes, sir; we had to change the rolls somewhat. There are a good many mills that would make black plate, but they do not do it because the people do not know what is to be done.

Mr. PAYNE. Has there been any improvements made in the method of manufacturing tin plate since the Americans took up the business?

Mr. CRONEMEYER. Yes, sir, some. We roll them somewhat differ-

ent from what they used to roll them in England; we mash where they double out of one piece and we roll the sheets a little longer than we used to do, and in that way we get a larger output. When we first began we thought if we turned out 3,000 pounds a turn of tin plate we would be——

Mr. PAYNE. How long is a turn?

Mr. CRONEMEYER. Eight or ten hours. Now, in eight hours, we get about 4,500 pounds. So in that way, by being practical in the business we have learned, and for these reasons have been able to reduce the price of black plate considerably below what we were able to sell before, simply because we have learned the business and know how to do it.

Mr. PAYNE. Is this bright tin plate of American manufacture as good quality as the English or Welsh tin plate?

Mr. CRONEMEYER. Yes, sir. I have several letters filed from customers on that point.

Mr. PAYNE. Who used the tin plate?

Mr. CRONEMEYER. Yes, sir; the American tin plate, and in their judgment American tin plate is the best.

Mr. PAYNE. Did I understand you to say all the articles that go into tinware are cheaper than prior to the McKinley bill?

Mr. CRONEMEYER. Yes, sir; 15 to 25 per cent lower than what they were before.

Mr. GEAR. Are not many imported tin plates what you iron men call short?

Mr. CRONEMEYER. They are light in weight. Is that what you refer to?

Mr. GEAR. Is not the raw material itself short, will break—very fragile?

Mr. CRONEMEYER. Oh, I think so; still it depends upon what it is. Some of it is.

Mr. GEAR. Showing that they do not use the best sort of raw material.

Mr. CRONEMEYER. Not for this cheap plate, they do not.

Mr. BRECKINRIDGE. You say utensils made of tin are generally cheaper than before the McKinley bill passed?

Mr. CRONEMEYER. Yes, sir; 15 to 25 per cent.

Mr. BRECKINRIDGE. Then tin, out of which it is made, is also cheaper?

Mr. CRONEMEYER. Well, it is cheaper than what it was immediately before the passage of the bill.

Mr. BRECKINRIDGE. Then you do not attribute the reduction in utensils to tariff, but tin plate?

Mr. CRONEMEYER. To some extent; but, then, these tinneries now are not required to keep such a large stock of tin plates on hand, as they can buy of the American manufacture whenever they want it, in small quantities, at about the same price as they could buy a hundred boxes from England.

Mr. BRECKINRIDGE. They could buy from the importer to any extent they wished, could they not?

Mr. CRONEMEYER. Oh, yes; but at the same time we maintain that the effect which was prophesied would take place, did not take place.

Mr. PAYNE. Prices did not advance.

Mr. CRONEMEYER. On the contrary, they became lower.

The CHAIRMAN. Just at that point. The statistics of the American

Iron and Steel Association, as prepared by Mr. Swank, are generally considered to be very reliable?

Mr. CRONEMEYER. Yes, sir.

The CHAIRMAN. Now, in these statistics for the month of June, which was the month in which the McKinley bill was reported to the Senate, and it became known practically what the rate upon tin plate would be, the price tin of plate in New York City, according to this report of Mr. Swank, that is, of I. C. Bessemer tin plate, per box $4.43, and the price last April, which is the latest month, was $5.50, which is the highest it has been in the last three years.

Mr. CRONEMEYER. On the other quotation it was the lowest that it

The CHAIRMAN. But these are his figures.

Mr. CRONEMEYER. I say that is the lowest price it reached.

The CHAIRMAN. Four dollars and forty-three cents?

Mr. CRONEMEYER. Yes, sir.

The CHAIRMAN. In February it was $4.61. It never appeared as high as $4.72 in that year until it became certain what the Senate was going to do in regard to the McKinley bill. So, Mr. Swank's table shows, contrary to your argument, when you say that the price of tin plate has gone steadily down in England, while here it has gone up since the passage of the McKinley bill as soon as it became certain in the Senate that the bill was going to pass.

Mr. CRONEMEYER. You must acknowledge that year was a year of serious depression in England—just what we have here in America—and in consequence it was natural that they should go and sell at low prices in order to get money.

The CHAIRMAN. This does not confirm that reasoning.

Mr. BRECKINRIDGE. Do you know any improvements in the operation of making tin buckets and other utensils?

Mr. CRONEMEYER. In some cases there are wonderful improvements in the manufacture of cans.

Mr. BRECKINRIDGE. It is not probable, therefore, if tin utensils have gone down while tin has gone up, it has been as much by the cheaper operations by which utensils are made; and they would be a good deal cheaper than they are now if we had been permitted to get the benefit of the lower tin.

Mr. CRONEMEYER. The theory I believe would be right, but whether it would practically or not, I do not know.

Mr. BRECKINRIDGE. You think it is all upset by the fact that the manufacturer of utensils can buy smaller quantities now from the American manufacturer?

Mr. CRONEMEYER. I do not give it as the sole reason; I said it might have something to do with it. I think also improved machinery may have something to do with it.

Mr. PAYNE. Improved machinery to make other articles than fruit cans?

Mr. CRONEMEYER. I do not know; I say I can not tell.

Mr. PAYNE. Has there been improved machinery to make other utensils than fruit cans?

Mr. CRONEMEYER. Not that I know of—not that I am aware of.

Mr. PAYNE. Improved machinery to make fruit cans would not have much influence on the price of tin pans or other articles?

Mr. CRONEMEYER. No, sir; I did not intend to argue on that basis that prices have gone down on account of the McKinley bill on tinware; I simply want to show it as the cry had been before that it would raise prices, and it did not do it.

Mr. PAYNE. You are simply stating a fact?
Mr. CRONEMEYER. Yes, sir.
Mr. BYNUM. In regard to the Treasury decision. That decision was to the effect that under the law black plates imported into the country and coated in this country were not American manufacture?
Mr. CRONEMEYER. Yes, sir.
Mr. BYNUM. What proportion of the cost of production is the coating of black plates?
Mr. CRONEMEYER. The cost of coating; it would be about from 1½ to 2 cents a pound.
Mr. BYNUM. What is the foreign total cost?
Mr. CRONEMEYER. It would be under 25 per cent.
Mr. BYNUM. Twenty-five per cent; has it not been estimated as low as 5 per cent?
Mr. CRONEMEYER. The additional cost——.
Mr. BYNUM. The cost of coating, simply coating the black plate with tin, to make tin plate out of the black plate, has not that been estimated as low as 5 per cent?
Mr. CRONEMEYER. No, sir; not if you include the tin that goes in it. We put 2½ to 5 pounds of tin on a box. That runs from 50 cents to a dollar on an article that in the black would cost us about 3¾ to 4 cents a pound, and then we have to have the labor, which amounts to considerable in coating.
Mr. BYNUM. Do you think it is about 25 per cent?
Mr. CRONEMEYER. Twenty-five to 33⅓ per cent would be the percentage of the cost of coating.
Mr. BRECKINRIDGE. Are not there machines which have recently ceased to be under patents, which are more accessible than formerly, by which tin pans and similar utensils or articles are made with great rapidity?
Mr. CRONEMEYER. I think there are no patents on them, except there is a machine in Chicago in which they take a piece of tin plate and lay it on the table and it's picked up and goes through this machine and comes out a finished can at the other end.
Mr. BRECKINRIDGE. I have been informed by a manufacturer that when they had to make them by hand one man could only make two dozen a day, and now a boy with a machine will make ten a minute?
Mr. CRONEMEYER. It is wonderful how fast they make them, that is true.
Mr. BRECKINRIDGE. I understand now these machines are much more accessible to the trade, so that I would deduce from that, that although the price of tin has greatly gone up, that the use of these machines have put the price of these utensils down, but if we got our tin correspondingly cheaper I suppose that would be correspondingly lower?
Mr. CRONEMEYER. I do not want to theorize on that; it might be one way or the other.
Mr. BRECKINRIDGE. It is a business question, and you are a business man?
Mr. CRONEMEYER. If I was to do business on that I would think a good while before I would decide it either way, whether that would raise the price or lower it.
Mr. BRECKINRIDGE. You laid down a true principle awhile ago; it depends upon whether you had to do it, because you stated, and stated truly, every man seeks in business to get all the profit he can, regardless of the cost of the product. I can recognize that you would not

lose if you had the power to prevent it, and I think all business men would do the same. I am not criticising that at all; that is a general question.

TIN PLATE.

(Paragraph 145.)

STATEMENT OF W. B. LEEDS, OF ELWOOD, IND.

As chairman of the tariff committee of the Association of American Tinned Plate Manufacturers I come before you, gentlemen, incidentally as a representative of the tin-plate industry of America, but absolutely as a representative of the American Tin Plate Company, of Elwood, Ind.

The history of the tinned-plate industry from the political side is one with which you are all familiar, but with the practical workings there are doubtless some points which I can furnish that may prove beneficial to us all in more thoroughly understanding the situation as it now exists.

The tinned-plate industry from its inception has been unfortunate in having been a football of politics, thus unfortunately arousing antagonisms especially directed towards it. The defense and attacks of the press representing the political parties of the last campaign were themselves unfortunate on account of the tremenduous amount of misinformation which appeared in the columns of the various papers, and which, being widely read at that time, has clouded the understanding of everyone as to just what constitutes tinned plate.

Your honorable body doubtless understands thoroughly every detail of the manufacture of tinned plate, but it may not be amiss to state that the tinned-plated industry is as separate and distinct from the mining of tin ore and the making of pig tin as is the production of stovepipe sheet iron separate and distinct from the mining of Bessemer ore at the head of Lake Superior to be turned into steel billets in the great mills of Pittsburg and others.

While I have personally seen in the Black Hills evidences of a large supply of tin ore, nevertheless the development of this industry is as separate from the development of the tinned-plate industry as it is in Wales, the home of tinned-plate manufacture. There are some 30,000 tons of pig tin used in Wales annually for the production of tinned plate, which is sent all over the world, while there are only some 9,000 tons produced by the Cornish mines, and it is a question whether there is a pound of Cornish tin used in the Welsh tinned plate, as the greater portion of the English tin is used in the production of fine brass and other alloyed metals, and nearly 5,000 tons of their tin is exported for like purposes and some 33,000 tons of tin were imported, nearly all of which was used in the tin-plate industry. The home of the tin seems to be in the far East and Australia. From there the pig tin is now derived which supplies the world.

The two great items of expense which enter into the production of tinned plate are labor and steel.

In a box of tinned plate of I. C. coke quality, weighing 108 pounds, there is used about 2 pounds of tin and something like 130 pounds of steel, and a small amount of sulphuric acid and palm oil; thus, it is the high labor cost in the first place, and the cost of steel in the second place, which controls the cost of production in this country.

Pig tin is, and always has been, brought into this country by importers, being sold here for about the same price as in London. It is sometimes cheaper here, owing to an excessive supply, and sometimes cheaper in England, owing to an excessive supply there; the prices being generally stable all the world over, excepting so far as the tariff put on last July may affect the future price in this country, although it has not done so up to date, the price of pig tin being lower now than it was before the duty of 4 cents per pound was put on; in fact, being lower since the duty was put on than at any time since we have been in the business.

The American Tin Plate Company was formed through the combination of a great many stockholders, the great majority being persons of moderate means, there being very few wealthy men in the company. When the company first started we had our capital raised from 150 stockholders, a great many of them in the employ of the company for which I work—the Pennsylvania Railroad Company—being young men in the offices, who subscribed from $1,000 to $3,000. In fact, the largest stockholder of the original subscription did not exceed $5,000, and they belonged to both political parties. We raised some $300,000, all of which has been invested in the tinned-plate industry.

We confess that we all had confidence in our ability to manufacture in America anything which is manufactured anywhere else in the world by mechanics, all things being equal.

As the 98 per cent of finished tinned plate is sheet iron or sheet steel, and as America was then making the finest sheet iron or steel in the world, we felt there was no reason why we should not successfully produce a merchantable article. With this feeling, the money was subscribed and with this feeling the investment was made, and to-day we have invested in Elwood in machinery, buildings, and facilities for manufacturing tin plate $300,000.

All of this $300,000 was invested by persons, few of them wealthy, simply as a saving fund of their own on the strength of the law passed by the United States saying protection would be afforded them in this country for at least six years, at the expiration of which time to be removed unless we were manufacturing a certain proportion of the total amount consumed in the country. These stockholders of ours, all of them citizens, and good ones, invested their money in good faith. There seemed to be a doubt manifested by Congress when it passed the law that tinned plate could be successfully produced in America, for which reason the clause was inserted requiring a certain proportion to be produced within six years, or the tariff to be taken off in consequence. In this connection the Welsh are openly saying through their press that they are very much in hopes the tariff will not be removed at all now, as the effect of the political canvass has kept money from being invested, and the fear of political changes and that the tariff will be removed within the specified limits keeps capital intimidated, with the result that enough tinned plate will not be manufactured, as the time will soon be too short for erecting necessary plants to reach the proportion required. The tariff will then be entirely removed and they will have a complete monopoly of the tinned-plate trade in America, as they have had in the past, but free from any duty restraints. These foreigners are banking upon this.

Had it not been for the feeling that tinned plate could not be manufactured in this country this condition would not have been made, but as we have accepted this condition, and as we have gone ahead with this understanding, we feel justified in asking that the promise to us

be kept, and that we be allowed to develop our industry without the tremendous antagonism which has been blocking our way in the past.

Our stockholders have not invested their money for political effect, but only as a business investment, and I, as an officer of the company, am not conducting the business for political effect, but to show the men who have intrusted their capital to my management that I will look after it properly for them.

Up to date, although our stockholders have had their money invested two years, they have not received any returns, and with the present condition of trade their courage will have to be sustained without the influence of dividends for many weary months longer, as the contention the company has had with conditions unprecedented will render us for a long time unable to declare even a moderate capital return on the investment.

The protection afforded to day to the manufacturer of tinned plate has not up to date yielded any returns, as it has been consumed in his experiments in getting started and getting his mill upon a good working basis, and by the large wages paid the men whom he employs.

This large-wage question is one of the points which now controls us. We pay very much higher wages in all branches than are paid on the other side, and to-day in their desperate effort to secure the American market the Welsh manufacturers are making reductions in the cost of manufacture, throwing away their profits entirely, indicating a condition of affairs existing on the other side, possible through the long control which they had over their men, which can not be brought about in America short of a desperate struggle with a tendency toward anarchy, as the wages we could offer our men in order to compete with the existing English conditions would be such as would at first seem an absolute impossibility for them to accept, and when the final acceptance comes it will only be through the long weary road of starvation, which I as a manufacturer trust I may never be called to put into effect.

It is a foregone conclusion that we can not run our mill at loss. If the tariff is reduced our mill has to stop until our wages can be adjusted to the same basis as our competitors on the other side have, and in order to do this we must go to a lower basis for labor in America than now seems possible, and allow sufficient to support the men and their families, with no possible chance to lay up anything for a rainy day.

In proof of this I would like to cite some comparisons: We pay our rollers 24 cents a box as against 7 cents per box on the other side, and we pay through the rolling mill at the rate of 3 and 4 to 1, and in the tinning house 2 to 1, paying 12 cents a box for tinning, washing, and 4 cents for rising as against 6 cents and 2 cents on the other side. We pay our engineman to drive our engines in the mill $60 per month, or $2.50 per day, as against $5 per week on the other side. For day labor in our mill we pay $1.40 to $1.65 per day; on the other side $4 and $5 per week is paid. We pay our men in charge of pickling and annealing $2.50 to $4 per day, whereas on the other side they pay $7 per week and $10 per week. We pay our superintendent $3,000 per year, and this is not an excessive price for a man with the experience and ability necessary to manage 400 or 500 men and the material for the business we do, based upon American practice. On the other side the mill is handled by a man who is paid less than $1,000 a year, who also does the roll turning.

In our tinning house we pay a man $5 per day as a foreman; this is

not an excessive price for a man who has charge of a tinning house as large as ours, and who has the skill and experience necessary to conduct the business successfully and handle the men under his charge. On the other side they pay a man from $50 to $60 per month for doing the work.

We have clerks in our office, and timekeepers, and a secretary and bookkeeper who are paid $60, $75, to $150 per month; whereas on the other side they have clerks for $30 per month and a man to take charge of the office for $50 to $60.

I do not think that I have quoted you any prices which seem out of the ordinary for American labor. A man must have sufficient money to support his family and enable his children to go to school a certain number of years, in order that they may acquire knowledge sufficient to enable them to become intelligent artisans, and to properly judge of parties and measures, thus forming an intelligent franchise, upon which the foundation of our country rests. On the other side, I am informed that the children are put into the factories at 8 and 9 years of age, although it seems incredible; and yet all the men we have who formerly lived on the other side say they started in at 8 and 9 years of age, and have been working in the mill ever since. They are paid 70 cents per week at first, and work up on through boy and girl labor to $2.50 per week, and there they stay until they get some position in the skilled force, unless, perforce, they drop into the army of starved manual laborers. We do not pay a person in our mill less than $1 per day, and this is for the smallest boys and girls we use. Our day labor is based, as I said before, on $1.40 to $1.65 per day, and we use day labor in many parts where they use women on the other side. For instance, the pickling is a nasty, wet and hard job; on the other side they use women to do this at $2 to $3 per week, whereas we are compelled to put in men at $1.40 per day—we could not get women to do the work, and in many instances they substitute this cheap labor for our men.

It may be said that some of our men can afford to be reduced. There are some men whose wages can possibly be brought down a small amount, but the great bulk of the men, drawing wages from $1.40 to $2 per day, and the women and boys from 15 to 16 and 17 years of age who are making $1 to $1.25 per day, can not be reduced unless they reduce their living to the basis adopted on the other side, which is meat once a week with the strictest economy, each year becoming one weary round of toil, devoid of pleasure, happiness, or any form of enjoyment. If, by reducing the tariff on all commodities, the margin for labor is brought down to the basis of that on the other side, then the American workman must come down to the basis of the other side, as we have to bring our wages down accordingly. But this can not be done in this country without the bitter experience of hunger and struggles verging on revolution, and not until the laboring man is brought to understand that it is hopeless for him to expect anything better—then starvation compels him to accept the inevitable. I do not believe any one of you, if you could see the condition which would stare these men in the face if the tariff were reduced, would care to bring it about. I believe the policies of the present political parties would be changed before such a state of affairs could be brought about, but we ask that it be not attempted, but that we be left to go ahead with our business, thus taking care of our working people, taking care of the community in which we have located, and taking care of the small stockholders, who subscribed their little "all" that we might make the experiment of manufacturing tinned plate in America.

These difficulties I speak of are not tin plate alone, but they are bound to come in through our raw material, which is the steel billets. Raw material is all things to all men. The consumer to whom we sell our plate considers our product his raw material; we consider the steel billets or blooms our raw material; the steel man from whom we buy our billets considers the ore his raw material; the man who mines the ore considers the labor his raw material, with labor the constant for all.

Reducing the tariff on all sides would make such a tremendous army of unemployed workmen during the readjustment of business upon the new lines as would bring down wages to the point which has made England the most successful manufacturing country in the world, and enabled her to throw her doors open wide and challenge the world on a free trade basis, but which forced one who investigated the matter to wonder with what hellish ingenuity capital had been able to discover upon just how little a man could live, keeping soul and body together, his future being provided for by the poorhouse, supported by the State.

But we ask you, gentlemen, to keep in good faith the promises of the United States that the tariff will not be disturbed for five years, and thus prevent this long period of unprofitable strife and hungry expectation on the part of the laborers waiting until their stomachs tell them they must accept whatever wages are offered in order to compete with their English brother. And of what avail will it all be? Tinned plate has practically been a monopoly of the Welsh for years, and the price we have paid them in the past has shown what we may expect in the future, unless they have to contend with the competition of the American manufacturers. There never has been a time when they have not felt that any dollar they would wring out of the American people was not justly extracted. Their tinned plate is all made in a small area, and the product is handled through what is known as the metal exchange, being bought and sold by brokers, as wheat, corn, and other grains in this country. In many cases the brokers buy at low prices and hold, expecting to sell to the American or foreign consumer later; and the figures that I now quoted show the increase in price, owing to the large increase in duty, has been merely nominal, while the consumers of this country are not paying one cent of this tax, but the producer in Wales is. Large consumers in this country say that if the tariff were taken off, after the Welshmen have strangled the American industry the price would be put up so as to recompense them for the loss incurred in the present fight. In proof of this, I cite this letter which I have here from the Anglo-Swiss Condensed Milk Company:

DEAR SIR: The enclosed statistics pertaining to the cost of tin plates, duty paid, before and after the McKinley act are forwarded to you at the request of the American Tin Plate Company. In giving in this evidence you may be asked, since the name of our company is in a foreign form, if we are a foreign corporation. The domicile of the company is at Cham, Switzerland, but the company was organized by Americans, has always been managed by Americans, and a considerable part of the capital is American.

This company has invested in the United States in plants at Middletown, N. Y., and Dixon, Ill., nearly $800,000; in plants and running capital together, over $1,000,000.

So far as operations are carried on in the United States, the business must be looked upon as an American industry, employing American labor, purchasing American sugar and American milk, as well as many other less important American materials.

At the time the McKinley act was under consideration, the Anglo-Swiss Condensed *Milk Company, through* its general manager, by letter to the Committee of Ways *and Means in Congress,* advocated the doubling of the tin-plate duty, predicting that

the advanced duty would not increase the cost of the tin plates for the American consumer, while believing that competition in manufacturing plates between American and English manufacturers, would result in a better quality of tin plates produced in America than are obtainable abroad. An experimental lot of American tin plate used by this company proved to be very superior to any European manufacture.

The Anglo-Swiss Condensed Milk Company, manufacturers in Switzerland, in Germany, in England, and in the United States, with its general manager located at 82 Hudson street, New York City.

In a letter dated August 24, 1893, the manager of this company's London branch writes the general manager in New York as follows:

My opinion is that the English tin-plate makers are working at the lowest possible margin in order to prevent a number of tin-plate factories from springing up and succeeding in America Immediately, however, the American protection is withdrawn you may be assured that the English tin-plate people will have achieved their end and up will go their prices. I think it altogether probable that English tin plates will cost the Americans as much after the duty has been removed as they do to-day.

The Anglo-Swiss Condensed Milk Company, unlike most (if not all) of American tin-plate importers, did not stock themselves for future use just prior to the enforcement of the McKinley act. True at that time tin plates were not produced in the United States, but prospective protection in America, through the influence of the advance in duty, had exactly the same effect to cheapen the price of tin plates in England that actual production here would have had. In like manner the prospective abolition of all protection has the same influence, promptly felt, upon all protected industries that actual hostile legislation would have.

You are at liberty to make any use of this letter and the accompanying statistics pertaining to tin-plate purchases you may see fit.

Yours, very truly,

ANGLO-SWISS CONDENSED MILK CO.,
GEO. H. PAGE,
The General Manager.

Comparative price-list of tinware.

[Wholesale prices.]

The above wholesale prices taken from original bills for articles named.

Average value of tin plate per box, f. o. b., New York.

1890	$4.80
1891 (first six months)	5.33
1891 (second six months)	5.25
1892	5.30
1893 (first four months)	*5.41

* We are now selling this delivered in Chicago for $5.35, equal to $5.10 New York City.
NOTE.—Increase in duty went into effect July 1, 1891.

The American has, in the majority of cases, substituted plates weighing 100 pounds per box, costing 27 cents less per box, reducing the cost to about $4.85 per box, and in many cases use plate weighing 90 and 95 pounds per box, and at a corresponding reduction. These being concessions made by the Welshmen not possible to the American, as his labor increases for light weights.

The Americans have never yet given up a struggle, but have always gone ahead. The past has shown that the American manufacturer is content with but a fair portion, and is perfectly willing to divide with his men. But let it be a fight to death; let him be forced to come into competition under lower duties all around—his capital is invested in his mill, and all he can do is to sit down and wait until nature turns to his aid and forces the men back to work upon the terms offered by the Welsh master on the other side, unfortunately made necessary to be offered by the American master on this side.

There has been brought to me, by men who buy on the other side, another point, and from men who one would naturally think would be opposed to the tariff on tinned plate. They are now forced to buy tinned plate on the other side three or four months before they expect to use it, and the smaller men are forced to buy through the brokers, who have heretofore received a large profit; they have been forced to pay the prices effected by the combination of capital on the other side with the importers on this side. A great many of these men say they are glad to see the American industry start up, as they can order tinned plate and have it delivered to them in two or three weeks, which does not necessitate the large outlay of capital which in the past has given to a few wealthy importing houses a monopoly of America's vast tinned plate trade; and, besides this, if the tin is not satisfactory they can make a direct complaint and have it rectified, whereas on the other side it is absolutely impossible, except in rare cases, to know who makes the tin, it having passed through so many hands, while here they can make their complaints direct, or return the tin; and for this reason they are glad to see the American manufacturer starting up, even if they have to pay a trifle more, having the calm assurance that in a very few years the competition even in this country will decrease this slight advance in the cost which now exists between what was paid before the tariff and what is paid under the tariff, so before the six years have expired the American consumer will not be paying more than before the duty was put on, and will also be able to get his supplies within two or three weeks without any investment of capital from the American manufacturer right at his door.

I have read a great many articles on the "robber barons" and the "robber tariff," and I have with interest read everything in regard to the great tariff struggle of 1892, but I fail to see where there can possibly be any harm or loss to the country in allowing the tinned plate tariff, which is absolutely necessary for the continuance of our industry, to remain as it now is, and on the other hand the benefits seem to be very large. It will enable us to manufacture some $20,000,000 worth of goods in this country for which we have formerly been compelled to send gold abroad. *We have just had an* experience which has severely taught us the value

of our gold, that with the balance of trade against us, prosperity disappears at once, and with each day's shipment of gold our chances of prosperity decreases proportionately. Here is an opportunity for an industry to be developed that will keep in this country $20,000,000, which will certainly go a long way toward overcoming any difference in the balance of trade against us.

Besides this, it is yielding a revenue most urgently needed now of $15,000,000 per year, or more than $1,000,000 per month. This revenue will not, of course, be obtained when we are manufacturing all the goods in our own country, but it will be now when it is most needed, and if we can manufacture all the goods in our own country and sell it as cheaply to our consumers as before the tariff of 1891 was enacted, then the Government can well afford to spare the revenue derived from the tin plate, and take in its place the largely increased balance of trade in its favor.

Having invested our money in good faith; having accepted the pledge as extended by the accredited officers and institutions of this Government in good faith; having on this acceptance gone ahead and invested our money, and having turned out marketable tin in large quantities—the largest of any manufacturer; having done everything on our part indicating our desire and determination to go ahead and become a component part of the tinned plate manufacturers of America, and as we have shown that the American consumer has not paid one dollar from the increased duty, we feel justified in appearing before you, gentlemen, and asking on your part that you see that nothing is done by this Congress which will in any way jeopardize our interests, but that the pledge honorably given by our Government be maintained inviolate.

Time permitting, I could continue indefinitely showing how the tariff vitally necessary to our industry does not tax the people. How the consumer is benefitted through the product being manufactured at his door. How, during the long weary months of our start, discouragement, sickening in its intensity, prevailed. How odds, seemingly insurmountable, showed endless accumulation. How viciously we were assailed by a powerful press impugning our integrity; assailing our credit in the commercial world; appealing to our stockholders of the Democratic faith to cast obstacles in our path, and even resorting to forgery, that they might print over our stockholders' names offers to sell our stock at a discount, that the entire enterprise might stand discredited financially. How, with unassailable proof finally brought home, we were assailed as the hirelings of the Republican National Committee, with but a few men in our employ, all to be discharged after the election.

How, before this increasing antagonism, we stood appalled with wonder and amazement almost convinced that our honorable effort to promote industry and the general betterment of our community had indeed made us a stranger in a foreign land as one unclean.

How desperately the Welsh manufacturer is fighting to strangle this ew American industry now struggling for existence against such monstrous odds. How the foreigner wages his desperate battle intrenched behind the accumulated capital and experience of a century. How he now stands joyfully expectant waiting for the tariff changes, which will restore him to his threatened prestige. How he is assisted by the powerful marine, nourished with such care, who, in many instances, pay him to carry his product as ballast, provided they be allowed to keep it in their hold for two or three trips. How their ships, in many instances, bring it in free to this country as ballast. How the powerful

ocean lines make a through ocean and rail rate, delivering plates to Indianapolis, Chicago, and other interior points for less than we can ship to New York City. How to-day there is a rate from Cincinnati to Kansas City of 34 cents per 100 pounds on domestic plate as against 12½ cents on foreign plate. How, failing in success with all these tremendous and startling advantages in his favor, and with an American Congress still loyal to American industries, he hopes to transfer his plants bodily to America, and there do battle royal with us on our own soil.

How the entire jobbing and consuming trade stands paralyzed as a purchasing power through the uncertainty produced by the anticipated tariff changes. How every producer has curtailed his purchases to the minimum necessity of his secured trade. How labor stands aghast before the present condition and trembling for the future. How banking looks askance at any form of accommodation to manufactures liable to be affected through tariff changes. How the ghastly falling off in freight business on the railroads has multiplied the army of the unemployed through the necessity of reducing force to meet the loss in business. How the intelligent employed and unemployed plaintively plead that they little dreamed that the change they asked for meant any change in their previous happy condition of employment, and how the unintelligent openly advocate uprisings as a means of expressing their discontent. How, on all our vast railway systems, silent factories eloquently speak their keen apprehensions. How the erstwhile teeming hive of industry, the Indiana gasbelt, now stands a silent cemetery of depression. The empty factories, gloomy monuments of the country's pause and the laborers' want. How, on all sides, the helpless call aloud, that you gentlemen may read the oracle's scroll ere 'tis too late. How the now happy employés of our mill as I left it Monday, keenly appreciating the personal interest in my mission, looked me God speed for success, and could I but reproduce here that mute appeal, my cause is won.

I have strong faith that I could take you gentlemen with me as a judicial court of inquiry, and honestly win the cause I advocate on its merits. I speak with malice towards none, but as one who entered the ranks of labor's honorable army. If I appear before you wearing a sergeant's straps, I have not forgotten the boys in the camp. I do not, nor can not, appear for the American Tin Plate Company. That is a certificate from the State; buildings, machinery, money, and supplies, all beyond the reach of change. I do appear for labor—on the one hand those who produce our commodities, on the other, those whose frugality and economy furnished the means to sustain the labor—all still dependent on honorable labor for the livelihood. Unrest has been rampant throughout the land; manifestations of discontent have been accepted as just demands, and the ant sees the result of its toil vitally endangered by the blast. I believe the statesmanship which has always been inherent within these walls at every crisis will prevail and our marvelous prosperity continue on apace.

To your honorable body has been reserved the possible distinction of nailing to the mast of our proud Ship of State the flag of American industrial independence, so that, no matter what strife may develop amongst the struggling crew below, that bright banner may be first visible on all sides to the eyes of the industrial nations of the world as they come knocking at our doors.

COST OF TIN PLATE NO GREATER SINCE DUTY WAS ADVANCED THAN BEFORE.

List of invoices, embracing all purchases made in England of tin plate, 36-gauge, by the Anglo-Swiss Condensed Milk Company, New York, during two years and two months immediately preceding the enforcement of the McKinley act, July 1, 1891.

STEEL TAGGERS, 112 POUNDS TO A BOX. COKE PLATES, 36-GUAGE.

[These cost prices include all expenses, duty paid, laid down in New York.]

Date.	Boxes.	Cost price.	Date.	Boxes.	Cost price.
1889.			1890.		
May 21	135	$8.58	October 30	195	$9.3696
May 21	119	8.60	November 18	195	9.1402
June 3	190	8.5915	1891.		
August 27	324	8.788	January 16	195	8.9957
July 8	402	8.5838	March 12	195	9.3735
October 2	325	8.7604	April 27	195	9.3135
1890.				2,665	115.8402
September 26	24	8.872			
September 26	171	8.872			

Average cost before the advance of duty, $8.89.

List of invoices, embracing all purchases made in England of tin plate, 36-gauge, by the Anglo-Swiss Condensed Milk Company, New York, during two years and two months following the enforcement of the McKinley act, July 1, 1891.

STEEL TAGGERS, 112 POUNDS TO A BOX. COKE PLATES, 36-GAUGE.

[These cost prices include all expenses, duty paid, laid down in New York.]

Date.	Boxes.	Cost price.	Date.	Boxes.	Cost price.
1891.			1893.		
September 14	195	$8.7863	January 31	105	$7.9353
November 2	195	9.1067	January 31	105	7.9423
1892.			March 9	210	7.9421
March 23	210	8.878	April 24	210	8.057
June 6	210	8.1906	June 12	210	7.8646
June 25	90	8.1984	August 11	210	7.847
September 5	210	8.1868	August 11	210	7.847
November 25	210	7.829		2,580	114.6611

Average cost after the advance of duty, $8.20.

List of invoices, embracing all purchases made in England of tin plate, 30-gauge, by the Anglo-Swiss Condensed Milk Company, New York, during two years and two months following the enforcement of the McKinley act, July 1, 1891.

112 POUNDS TO A BOX. COKE PLATES, 30 GAUGE.

[These cost prices include all expenses, duty paid, laid down in New York.]

Date.	Boxes.	Cost price.
1891.		
July 27	195	$5.8333
August 13	195	5.80
August 22	195	6.0666
August 31	195	5.8187
September 14	195	6.0602
September 29	195	5.8186
October 20	390	5.8222
October 20	195	6.09
October 30	390	6.0762
November 18	195	5.8554
November 18	195	6.0352
November 26	390	6.0562
1892.		
March 23	210	6.095
March 28	210	5.90
March 28	210	5.90
April 11	210	5.903
April 23	210	6.00
April 30	210	5.9812
April 30	210	5.8119
June 15	210	5.8838
June 25	120	5.6935
June 30	210	5.7377
July 11	210	5.607
August 2	210	5.7746
August 20	420	5.7748
August 20	210	5.7783
September 5	210	5.7453
October 4	210	5.7745
October 4	210	5.764
October 17	[illegible]	5.792
October 25	210	$5.7874
October 25	210	5.625
November 25	210	5.[illegible]
November 25	215	5.42
December 19	210	5.[illegible]
December 19	210	5.67
1893.		
January 31	210	5.[illegible]
January 31	420	5.[illegible]
January 31	345	5.[illegible]
January 31	70	5.65
January 31	35	5.[illegible]
January 31	175	5.[illegible]
January 31	105	5.[illegible]
February 18	210	5.[illegible]
February 18	130	5.[illegible]
February 18	210	5.[illegible]
February 18	210	5.[illegible]
March 9	420	5.[illegible]
April 1	840	5.[illegible]
April 24	1,044	5.[illegible]
May 13	210	5.[illegible]
May 29	210	5.[illegible]
May 23	210	5.[illegible]
June 19	840	5.[illegible]
August 4	210	5.[illegible]
August 4	420	5.[illegible]
August 7	210	5.[illegible]
August 18	610	5.[illegible]
	15,644	[illegible]

Average cost after the advance of duty, $5.72.

List of invoices, embracing all purchases made in England of tin plate, 30-gauge, by the Anglo-Swiss Condensed Milk Company, New York, during two years and two months immediately preceding the enforcement of the McKinley act, July 1, 1891.

112 POUNDS TO A BOX. COKE PLATES, 30 GAUGE.

[These cost prices include all expenses, duty paid, laid down in New York.]

Average cost before the advance of duty, $5.66.

The CHAIRMAN. About what ad valorem is 4 cents a pound?

Mr. LEEDS. That is about 25 per cent.

Mr. BYNUM. What real estate have you in connection with your plant there?

Mr. LEEDS. About 10 acres.

Mr. BYNUM. I understood you, in your statement, to say that 98 per cent was sheet steel?

Mr. LEEDS. Yes, sir.

Mr. BYNUM. Which you estimate as cost?

Mr. LEEDS. I am speaking of weight. Ninety-eight per cent is finished steel; two pounds, pig tin.

Mr. BYNUM. What do you estimate as the proportion of the total cost of the tin?

Mr. LEEDS. I should think about 35 per cent.

ROOFING TIN PLATE.

(Paragraph 145.)

SIRS: We are manufacturers of sheet-metal shingles, used for house covering.

Our raw materials are roofing tin plate and steel sheets; the latter are known to importers as black taggers; wire gauge No. 30. These are the sheets used by some of the American tin-plate makers, and the finished tin plates are sold as American tin plate.

During the past twelve months we have received over 6,000 communications from people who prefer to use the kind of roofing we make, but are prevented from doing so because of the high duty on the raw material, and which we are obliged to add to cost of our goods, and which we require the consumers to pay.

Now, gentlemen, we ask in the name of 6,000 people who are deprived of using that which they prefer, by reason of the said high duty, that roofing tin plates, and particularly steel sheets, of which tin plate is made, be placed on the free list.

THE NATIONAL SHEET METAL ROOFING CO.
By C. B. COOPER, *President.*

SWEDISH IRON.

(Paragraph 146.)

FRIDAY, *September 8, 1893.*

STATEMENT OF N. A. GILBERT, OF CLEVELAND, OHIO.

The CHAIRMAN. If your statement contains the substance of what you desire the committee to know, you can submit your statement and enlarge upon it in any remarks you may desire to make.

Mr. GILBERT. Very well; I will be very brief. I will state it in a nut shell. In July, 1891, several gentlemen, realizing that it was almost impossible to get tubes for the manufacture of bicycles, and having visited England for that purpose, found that there was but one place

in the world, practically, where they could be obtained, Birmingham, England, conceived the idea of having these articles manufactured in this country, in some way, from material which is obtained alone in Sweden: Up to that time there had never been a pound of cold-drawn steel tubing made in this country. It is a weldless steel tube, drawn cold. We knew that it was for the interest of the people of this country, and these gentlemen bought from a company of Birmingham the process and machinery for its manufacture, and as a result of that there was established at Shelby, Ohio, what is known as the Shelby Steel Tube Company. From that time to this they have been progressing with that work, and have now what are called benches to the number of forty-two in operation. They sold last year about 2,000,000 feet of this tubing to the people who use it in this country. They have been obliged to pay on this material, which to them is, to all intents and purposes, raw material, under section 146 of the tariff act, 1.6 cents per pound. This material which they import is called billets or blooms.

Mr. PAYNE. What kind of material is it?

Mr. GILBERT. It might be called a grade of steel. It has very little manganese and very little carbon in it. In this paper which I have left with the committee it is analyzed. The component parts are a little hard to name. It is ranked and called steel in the tariff act. We have to pay 4 cents a pound for it and 1.6 per pound to bring it in. We have now 400 tons of it on the way, and we are bound to pay $14,336 on it, unless this be taken off. Our importation has amounted to the sum of $97,000 in round numbers, exclusive of this $14,336.

Mr. DALZELL. How is it described in the tariff law? What is it called?

Mr. GILBERT. It is called steel or blooms. It has a certain schedule of duty, owing to the price per pound of the material, and we have to pay 4 cents or under, practically 4 cents, or 1.6 per pound. Now, it is fair to say at the outset in this matter, that when this tariff act was passed there was not, commercially known, any such billets or blooms as we present to you to-day. There was not in the United States a manufactory of this cold-drawn tube to be protected. It came into use in 1891, and by the wording of section 146 of the tariff act, it was held to be dutiable at 1.6 cents per pound. Perhaps the reading of this paper will bring the matter before you better than can be done in any other way.

Thereupon Mr. Gilbert read the following paper:

GENTLEMEN: The Shelby Steel Tube Company, of Shelby, Ohio, having been kindly accorded a hearing, respectfully represent that they commenced business in the summer of 1891, and have now invested in their plant and business $350,000, and are supplying a large number of our American consumers with the best of tubing. We believe that the duty of over 40 per cent ad valorem on the hollow billets or blooms imported by us, and of which we are the only importers, is very unjust and unnecessarily burdensome, and is the result of the application of the tariff act to the material now imported by us, but which at the time of the passage of the act was neither commercially known nor had any of it been imported into this country. So believing we ask to submit the following:

(1) The importation of hollow billets or hollow blooms for the purpose now used had not commenced when the present tariff act was being prepared nor when it was enacted.

(2) The combination of composition, construction, and uses of these billets and blooms is not produced in this country (nor in any other except Sweden), nor is the material or construction found or produced in this country.

(3) The first manufacturing of tube in this country from these billets or blooms was started by the people we represent in 1891, and none others have ventured.

(4) We leave with the committee a sample of the billet or bloom as it is when *imported, and samples* of several sizes of the finished tube as manufactured in *America.*

(5) The bloom or billets so imported is practically raw material, as very little labor is bestowed upon it where it is made. It is simply heated, placed in form, and cut in lenghths for shipping as you see it here. (Sample.)

(6) This material has and may be again analyzed and has and will be found to contain:

Carbon	0.130
Silicon	0.035
Manganese	0.155
Sulphur	0.005
Phosphorus	0.041

demonstrating that it is practically not a competitor with steel for its general and ordinary use, nor of ir n in its general and ordinary use.

(7) The process of making this material useful is by drawing the same cold into what is known as cold-drawn seamless steel tube.

(8) Our company employ about 260 men, has been in operation since July, 1891, and have not yet made a dividend.

(9) Heretofore these billets have been manufactured into tubing in other countries, principally at Birmingham, England, where all our consumers were compelled to buy.

(10) In addition to the burden of transportation, freight, insurance, commissions, and incidental expenses attending the importation of this material, we are compelled to meet the difference in price of labor, which is its chief cost, as every billet must be put through from 50 to 200 operations, depending upon the size of the finished tube, before it is perfected and ready for market.

(11) All this the manufacturers might be said to anticipate, but in order to compete with the foreign manufactured tubing the American manufacturer meets with a still more serious obstacle, viz: Under the present tariff act the importer of these billets or blooms paying 4 cents per pound is required, under paragraph 146 of the tariff act, to pay 1.6 cts. per pound duty, or 40 per cent ad valorem; while the foreign manufacturer, making the finished tubing from exactly the same billets and blooms, is required to pay duty, under section 157 of this act, of less than 7 per cent ad valorem.

(12) We believe this discrimination against American labor or against American manufacturers to have been the result of the application of a statute prepared before the article we now use was commercially known, and before there was any American manufacturer of such tube to protect, and that the compulsory payment thereof was and is unfair and unjust, and that in the amendment of the law such provision should be made as to enable us to receive back all or a portion of the duty paid by us. We have imported of these billets 2,505,842 pounds, at a cost of $97,158.74, and have in addition paid a duty thereon of $38,910.94, and in addition there is now in bond at Cleveland, Ohio, 400 tons, on which as now classified we will have to pay a duty of $14,336. It is necessary and but fair, that we should be relieved of this. The question has occurred to us how to so word a proviso as to meet our views, and we concluded that if a new tariff bill was to be prepared, and if not if the present tariff act was amended, or in either event a proviso might be added to section 146, or its substitute in event of a new bill identifying this class of importations and substantially as follows:

Provided that any duty collected or payable on hollow steel billets or hollow blooms purchased abroad and imported since January 1, 1892, into the United States to be there manufactured into cold-drawn seamless tube, shall be refunded, and if not paid, released without the payment of duty; and hereafter no duty shall be charged thereon.

Respectfully submitted.

THE SHELBY STEEL TUBE CO.,
By D. L. COCKLEY, *President.*

During the reading of the paper the following interruptions occurred:

Mr. DALZELL. What is this used for?

Mr. GILBERT. It is used in the manufacture of bicycles. It is used by the Government in its naval affairs. We have furnished the Government with what it has used. It may be used for boilers, to some extent.

Mr. TARSNEY. You have stated that the material of which this is composed is not found in this country. Of what material is it composed?

Mr. GILBERT. It is a peculiar grade of steel, and is found alone in Sweden. *Efforts have been* made in this country on every kind of

steel almost, without success. It could not be made to work. It must be a steel that can be drawn cold without tearing, so that it will produce this perfect seamless tube. So far as experiments have gone, there has been an utter inability to do it, except with the iron of Sweden as handled there.

Mr. TARSNEY. It is a peculiar ore found only in Sweden, and is by reason of the process of manufacture?

Mr. GILBERT. Very likely there is something in the fuel found there. I am not a chemist, and I can not answer all those questions, if I should try.

Mr. DALZELL. You make these tubes, and is it your proposition that this article ought to come in free?

Mr. GILBERT. Yes, sir.

Mr. HOPKINS. Really, these tubes are your raw material?

Mr. GILBERT. Yes, sir. As manufacturers, it is our raw material. It is demanded to a large extent in this country, and it has heretofore been purchased at Birmingham, England, entirely.

The CHAIRMAN. What is the average cost of your material, independent of the tariff?

Mr. GILBERT. Four cents per pound.

The CHAIRMAN. The tariff is 1.6 cents per pound; you pay 40 per cent ad valorem on the raw material. What is a tariff on the tube that you manufacture?

Mr. GILBERT. It is less than 7 per cent ad valorem.

The CHAIRMAN. What is the average value per pound?

Mr. GILBERT. About 35 cents.

The CHAIRMAN. And the tariff is 2½ cents.

Mr. GILBERT. Yes, sir.

The CHAIRMAN. Your contention is that you pay 40 per cent on the raw material, whereas the finished product can come in at 8?

Mr. GILBERT. Yes; a fraction under 7.

The CHAIRMAN. But, in spite of that, you have been able to do a large business?

Mr. GILBERT. We have not been able to make dividends; but we have pushed the business as well as we could, and have supplied the trade. We propose to continue and do the best we can.

Mr. PAYNE. Do you make any other goods?

Mr. GILBERT. None whatever.

Mr. TARSNEY. Is it used for no other purpose than that in this country?

Mr. GILBERT. It is not used for any other purpose. There is some speculation and experiment as to whether it can be used for canes, umbrella handles, etc., but it is not now used for anything else.

Mr. STEVENS. Why is it not used for boiler tubes?

Mr. GILBERT. It is not in shape for that. The president of the company, Mr. Cockley, can answer that better than I can. I suppose the material, if produced of the proper size, might be used for boiler tubes.

Mr. HOPKINS. What percentage is the tariff of the value of these tubes?

Mr. GILBERT. The tariff is 1.6 cents on a valuation of 4 cents.

Mr. HOPKINS. I was speaking of your finished product.

Mr. GILBERT. It is 2½ cents, or less than 7 per cent ad valorem.

Mr. HOPKINS. Is it not 45 per cent ad valorem?

Mr. GILBERT. No, sir; the finished bicycle that is made up ready for use comes in at 45 per cent ad valorem.

Mr. DALZELL. It comes in under the head of "Boiler and other tubes, 2½ cents."

Mr. GILBERT. Yes, sir; and has been so decided by the courts of the country. On a careful reading of the tariff, with which you gentlemen are familiar, you will find that there is a way of avoiding the payment of 45 per cent ad valorem, because the machine will simply be dismantled and come in without being assembled. They will not come in as a finished bicycle, but will be put together here.

Mr. HOPKINS. It is a species of evasion?

Mr. GILBERT. Yes, sir; they send in the parts and assemble them on this side.

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I will say here that I heard from a bicycle man who has had to do with this matter, that about the time this concern started, the only way he could get within half a mile of the plants at Birmingham would be to put his money in bank, subject to their order, some four or six months before he wanted the goods, and then they would respect his order.

Mr. PAYNE. Can they get orders respected any more readily now in Birmingham?

Mr. GILBERT. Yes, sir; they can get them more readily now because we have a plant right in this country producing it. I think they are a little more lenient now across the water.

Mr. HOPKINS. That has been the case since the establishment of the plant on this side?

Mr. GILBERT. Yes, sir; and the price is lower this year. We are starting into a new year and we expect competition will bring the price a little lower.

Mr. HOPKINS. What did you say about their being a little more lenient abroad?

Mr. GILBERT. We have understood that they can get their orders there with not quite so much trouble as before.

Mr. PAYNE. Without accompanying the order with the cash?

Mr. GILBERT. Without putting up the cash four or five months in advance. This takes money, and a great deal of it.

Mr. HOPKINS. What is the difference in the cost of wages here and abroad?

Mr. GILBERT. I can not tell exactly. I presume you would have more ready access to that information. I am told that while we pay from $1.50 to $3.50 that they pay from three to six shillings. That is my information, but I do not state it as a fact, because I do not know.

Mr. PAYNE. From whom did you get that?

Mr. GILBERT. From men who have come over here, and from manufacturers who have been abroad and given us that information.

Mr. PAYNE. Who have been in the factories abroad?

Mr. GILBERT. Yes, sir; one of our principal stockholders has been a manufacturer there, and when it was proposed to arrange to manufacture it here, he got the facts.

In proposing a rate I do it with all respect to the committee, not for the purpose of wording your tariff bill, but for the purpose of the identification of this material as well as for the enlightenment of others who may be heard on this subject; and also in order that there may be some record of the matter. If you think our views are meritorious, it would be well to take out this article from schedule of section 146, or in any similar section which you may have in any bill.

Mr. DALZELL. If the provision was made to apply to blooms purchased abroad, would it not cover more than this product?

Mr. GILBERT. It might be made to read so as to refer to articles to be used for a certain purpose, naming the one for which this one has been used.

Mr. DALZELL (reading). "To be there manufactured into cold-drawn seamless tubes." Could not a manufacturer under this clause import other than those made in Sweden?

Mr. GILBERT. No, sir; I think not. This whole subject will be up before you from all parts of the country. We are of the opinion, from investigation—for we have not been asleep, but have been trying to protect our property invested in this plant—and have written, sent word, and exhausted every effort to know what we are doing and to see "where we are at"——

Mr. TARSNEY. I see he watches the proceedings of Congress.

Mr. GILBERT (continuing). And we have not yet found anything of the sort.

Mr. STEVENS. What use will it be when bicycles go out of use?

Mr. GILBERT. From what information we have, we think bicycles will never go out of use; but if they should, there is more or less experimental work in the way of finding a use for them in boiler tubes, canes, umbrella handles, and other uses, where such an articles are essential in point of strength and lightness.

Mr. STEVENS. Will your works supply enough of these for bicycles?

Mr. GILBERT. The demand is about 4,000,000 feet every year. Our factory has doubled its capacity. We delivered 2,000,000 feet and over of this tube during the past year. We calculate to be able to take care of this trade, or at least such of it as the foreigner does not take care of. We feel that this has been a matter of great convenience to the people of this country, and while we did not go into it for the purpose of making it a matter of convenience, but of making money, yet we feel that it is an institution that is necessary on this side of the water.

It is not necessary for me to say that we have had differences with the collector as to his construction of the law, and thinking (and there is no doubt that he is right if he takes the exact wording of the law) that the fact of its being commercially unknown before this law was enacted, a fact that no human intelligence could give, before its existence, we so claimed, though unsuccessfully, but nevertheless had to pay it.

Mr. PAYNE. When was this raw material first manufactured?

Mr. GILBERT. I can not tell. It was before the last tariff act was passed, but up to that time none had been imported into this country, and it was not commercially known here. Not a pound of it had ever reached our shores for any manufacturing purpose. We did not even have a specimen of it. We, therefore, think that under the circumstances we ought at least to be put on a level with the people who are manufacturing this product across the water, so that we can have a fair chance with them. We must pay the cost of transportation and incidental expenses the same as they.

Mr. TARSNEY. You say that the demand has so largely increased that you have doubled your capacity?

Mr. GILBERT. There was a demand, or we would not have started. We have doubled our capacity.

Mr. TURNER. How much money have you paid in this duty?

Mr. GILBERT. Ninety-seven thousand dollars over and above the $14,000 which we will be compelled to pay.

Mr. TURNER. That is what you want refunded?

Mr. GILBERT. We want the judgment of this committee as to whether or not we should not have it, or a portion of it, refunded. It ought to be refunded from January, 1892.

Mr. TURNER. Do you make your customers pay it back to you by charging them your increased cost in the product in your original charge to them; and, if so, will you refund to them?

Mr. GILBERT. We do not believe that we shall go through that process. We feel that since we ventured the capital necessary to organize this business and created this plant, we should have a fair return for our money. If over 40 per cent ad valorem had not been paid out by way of a tariff, while the foreign importer only pays out less than 7 per cent, the situation would be different.

Mr. TARSNEY. How much of the earnings have you diverted to the betterment of the plant?

Mr. GILBERT. We have not taken out anything, and yet I do not mean to say that we have lost money.

Mr. TARSNEY. Have you used any of the proceeds of the plant to better it?

Mr. GILBERT. I would like to make an exact statement of that, for we have it; I know that we have kept paying in money to increase the plant.

Mr. HOPKINS. Outside of the plant what have you put into it?

Mr. GILBERT. We have put in $60,000 or $80,000 at a time.

The CHAIRMAN. You have not, however, sold the product for less than cost?

Mr. GILBERT. No, sir.

The CHAIRMAN. You are obliged to have this raw material because of the quality of the Swedish steel, it being free from some impurities which adhere to ores in this country?

Mr. GILBERT. Yes, sir.

The CHAIRMAN. If we admit iron ore free this raw material could be gotten in, I suppose?

Mr. GILBERT. We do not know how to make these blooms, and we would be shut out if we could not get them. The fuel has some peculiar combinations. We do not have the cedar that is used for the charcoal, and by reason of not having other things we are not able to make a full explanation of what would enable us to do this. We do not know how to make these billets and we do not know anybody who does. It has been tried again and again in France and Germany, but it is not produced successfully in any other place except Sweden.

Mr. DALZELL. Do we import any Swedish ores now?

Mr. GILBERT. I do not know.

The CHAIRMAN. They have been obliged to pay at the rate of 1.6 cents per pound on the raw material as a duty, and 4 cents is the price of it abroad?

Mr. GILBERT. Yes, sir.

The CHAIRMAN. The finished product is worth 35 cents a pound, and can be imported by your rivals at 2½ cents tariff, whereas you pay 40 per cent ad valorem?

Mr. GILBERT. Yes, sir.

The CHAIRMAN. You pay your workingmen better wages than are paid in Birmingham?

Mr. GILBERT. I think we pay two or three times as much.

The CHAIRMAN. You pay 40 per cent ad valorem on your material,

you pay better wages to your workingmen, and yet you carry on the business in this country without loss?

Mr. GILBERT. We can carry on the business, and have carried on the business, but whether we think it wise to continue if we have no hope of being relieved from this tariff, or if we knew that the matter was ended, and we would have to come up against it as against a blank wall, I could not answer as to the question of continuing.

The CHAIRMAN. You do not claim that you have lost anything on the sale of your product?

Mr. GILBERT. No, sir; but we want to continue to do business, and we want to make something from it.

The president of our company, Mr. Cockley, is here, and I hope you will be kind enough to hear him.

IRON BILLETS.

(Paragarph 146.)

STATEMENT OF MR. D. L. COCKLEY.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I do not know that I can add anything to the very comprehensive statement which you have just heard from Mr. Gilbert. I think he did not understand one of the questions asked by Mr. Hopkins.

Mr. DALZELL. The question was with reference to the amount of duty.

Mr. HOPKINS. I think he said that the finished product was 35 cents and the duty was 2½ cents a pound.

Mr. COCKLEY. As we figured in the original contemplation of the establishment of the works in this country, and from the best knowledge we could get, the duty would not exceed $22.50 per ton on the raw material. We could not find that it was classed otherwise than as billets or blooms not otherwise provided for, and coming in at $22.50 a ton.

Mr. PAYNE. If you produce these billets or blooms here from ore imported from Sweden the tariff of 75 cents a ton, of course, would not make much difference?

Mr. GILBERT. No, sir.

Mr. PAYNE. You would not care whether it was 75 cents a ton, or over?

Mr. COCKLEY. No, sir. The difficulty that we would run against would be our own want of knowledge of the manner of making them, as well as the want of knowledge of the combination of material requisite to produce the metal in this condition. You can see that it is a peculiarly soft metal. It is the only one we can find that we can work in that manner. In our experience we have used American ores from Tennessee to Wisconsin, and we have never found one that would draw in a manner like this when cold.

Mr. PAYNE. But you never have tried the imported ore of which this is made?

Mr. COCKLEY. No, sir; we have not the combination and it would take a good deal of money.

Mr. TARSNEY. You are not manufacturers of billets of any kind?

Mr. COCKLEY. No, sir.

STEEL-SAW PLATES.

(Paragraph 146.)

STATEMENT OF HENRY DISSTON & SONS.

PHILADELPHIA, *September 22, 1893.*

Article 146 of the tariff act of 1890 calls for 7 cents per pound on steel-saw plates when valued at 16 cents per pound. We would respectfully recommend that the duty on band-saw plates, wholly or partially manufactured, black or bright, thinner than 13 gauge (or .095 inch), up to 14 inches wide, should be at the rate of 7 cents per pound. We have positive knowledge and know it to be a fact that New York importers import blank bands all ready to be toothed into finished saws, and they have been brought in under a very low classification. This enables them to take these blades and have the teeth cut in, making them finished saws complete. This places our saw makers at a great disadvantage, and the mills which manufacture these steel bands are also hurt to a certain extent, for the people who import these blanks are enabled, after having the teeth cut in, to sell them as saws at a price not much greater than what the home makers charge for the blanks in the rough. As the manufacturers here have gone to considerable expense in making improvements in the manufacture of band saws, it seems that their request to have proper appreciation made of their efforts by a sufficient duty should receive consideration. We would suggest, therefore, that the tariff on steel-band blanks intended to be made into saws should pay a uniform rate of 7 cents per pound.

WIRE RODS.

(Paragraph 147.)

SAN FRANCISCO, CAL., *September 12, 1893.*

SIR: Respecting the duties levied on wire rods, we beg to say that wire rods is the raw material of all wire mills who draw the wire rods into wire and manufactures of wire.

Wire rods No. 6 gauge (0.192 inches diameter) and larger pay a duty of six-tenths of a cent per pound or $13.44 per long ton. This is far in excess of what is needed to protect the domestic makers of wire rods, and the duty could be reduced to one-tenth of 1 per cent per pound without injury to the existing industries.

The export price of ordinary steel rods, No. 6 and larger, is £5 2*s.* 6*d.* per ton, F. O. B. Antwerp or other European ports, or $24.94 per gross ton—freight and other charges for delivery in New York is about $2.56 per ton—total, $27.50 per gross ton. The cost of freight and charges to San Francisco is about $4.06, making cost delivered in San Francisco $29 per gross ton without custom duties. If a duty of one-tenth of a cent per pound was added the cost would be, delivered in New York, $29.74, and delivered in San Francisco, $31.24.

By such an adjustment of duties the domestic maker of wire rods would be protected in the entire country except on the Pacific coast, and the wire mills on the Pacific coast which are now idle could start up and give employment to about 1,200 men now unemployed.

The present all-rail freight rate from New York to San Francisco on wire rods is 60 cents per 100 pounds, and on wire nails is 30 cents per 100 pounds, and the Pacific coast manufacturers are suffering from discrimination of both freight and duties.

Respectfully,

CALIFORNIA WIRE WORKS,
Per HENRY L. DAVIS, *Secretary.*

SOUTHINGTON, CONN., *September 8, 1893.*

SIR: In our business we use a large percentage of imported Norway iron, and in a variety of shapes and sizes.

We think the present tariff wrong in charging a higher duty on large bars, or even billets, for rerolling to sizes, than on some certain small sizes termed "nail rods," "rivet rods," "wire coils," etc., that much more labor has been expended on.

The rolling to shapes, as done in Sweden, is much inferior to work done at our own mills.

We do not see reason or justice in the tariff as it now stands, and respectfully call your attention to this matter.

Very truly,

ATWATER MF'G CO.

WIRE.

(Paragraph 148.)

SATURDAY, *September 16, 1893.*

STATEMENT OF RUTHERFORD BURGHER, OF PITTSBURG, PA., REPRESENTING THE KIDD STEEL WIRE COMPANY.

MR. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: We appear before the committee representing the manufacturers of needle wire. This is a practical industry in this country. I have brought a few samples of the wire to be passed round and looked at, so that we can intelligently understand each other. This wire is all drawn within the thousandth of an inch. The smallest is the $\frac{13}{1000}$ of an inch, and is used for watches, and for needles of all kinds. We have prepared a statement which we will put in the hands of the committee. I suppose I had better do that rather than take the time in reading it.

The CHAIRMAN. If this statement covers all you want to say, you can leave it with the stenographer.

The following is the paper referred to:

SHARPSBURG, PA., *September 15, 1893.*

SIRS: As manufacturers of drill rods and needle wire, we appear before you to respectfully ask for the retention of the last clause of section 147 of the metal schedule of the present tariff act, which reads: "*Provided*, That all iron or steel rods, whether rolled or drawn through dies, smaller than number six wire gauge, shall be classed and dutiable as wire." And we also ask the retention of that part of the last clause of section 148, which reads: "*Provided further*, That all iron or steel wire valued at more than 4 cents per pound shall pay a duty of not less than 45 per centum ad valorem."

We submit for your consideration the following as our reasons for this request:

First. Our output is the highest form of manufactured steel, being used for watch

and clock parts, dental tools, small twist drills, taps, reamers, punches, delicate shafts for electrical apparatus, and machine needles for all kinds of sewing, and consequently requires the greatest cost in labor per pound to produce, as it is high-grade steel, containing over 1¼ per cent of carbon, and requiring to be finished uniformly within the one-thousandth part of an inch of the given diameter; and it is practically a new industry in this country.

Second. The wages paid in England are about half those paid in our factory. The comparative English wages in the following table were those paid in 1887, and, we understand, are those paid to-day:

	Wages per day.	
	American.	English.
Annealing	$3.00	$1.20
Pickling	2.00	$0.80 to 1.00
Roughing	2.00	.80 to 1.00
Finishing	3.00	1.20 to 1.75
Scouring	1.75	.80 to 1.00
Straightening	1.75	.80 to 1.00
Inspection	2.25	1.20
Polishing	$0.75 to 1.50	.20 to .40

In explanation of the foregoing table we would add that the English operatives are paid by the hundred weight, and that the amount of their earnings vary according to the skill of the operator, within the limit stated. The Americans are all paid by the day.

In regard to the polishers, this work is performed in England by girls and women, and in our factory by boys and men.

We offer in evidence the appended bit of ancient history.

On October 6, 1890, the McKinley act went into effect, and on October 10 the New York importers issued the following notice, advancing the price about 45 per cent:

TO THE TRADE.

On and after the above date the following prices will prevail, owing to the change in the tariff:

Stubs steel "bright" in 13-inch or 36-inch lengths.

	Per pound.		Per pound.
No. 5	$0.95	No. 66 to 68	$4.30
6 to 15	1.10	69 to 70	4.70
6 to 30	1.25	71 to 73	5.15
31 to 38	1.35	74	5.60
39 to 46	1.55	75	5.80
47 to 50	1.80	76	6.00
51 to 54	2.10	77	6.45
55 to 57	2.60	78	6.85
58 to 60	3.00	79	7.30
61 to 62	3.40	80	7.75
63 to 65	3.90		

We made no change in our prices, and emphasized the fact to the trade by issuing the attached price list on November 15, 1890.

Price list of "Kidd" polished drill rods.

	Per pound.		Per pound.
A to Z	$0.75	66 to 68	$3.00
1 to 15	.75	69 to 70	3.30
16 to 30	.83	71 to 73	3.60
1/8 to 38	.90	74	3.90
39 to 46	1.05	75	4.05
5/64 to 50	1.20	76	4.20
51 to 54	1.45	77	4.50
55 to 57	1.80	1/64 to 78	4.80
58 to 60	2.10	79	5.10
61 to 62	2.40	80	5.40
63 to 65	2.70		

Square, hexagon, and octagon drill rods, all sizes, 1/16 to 1/2, $1.60 per pound.

We would like to have appended also an original of the importers' notice with each of these statements, but the importers withdrew their advanced list so quickly after hearing of our action that we were able to secure only two of them. By our thus keeping the price down to the consumer and preventing the importers from making this tremendous advance under pretext of the McKinley law, we have incurred their enmity to such an extent that we have since been unable to secure a single customer among them.

We are proud of our achievement so far, and beg to add letters from customers bearing on the high quality of our goods.

APPENDIX TO THE STATEMENT OF THE KIDD STEEL WIRE COMPANY, LIMITED.

From questions asked others we note that your committee desires to be informed as to how the relative cost of production here and abroad compares with the actual difference in wages paid.

The English operatives are paid by weight. We keep an accurate account of the total cost of production in wages, and therefore are able to furnish this information as far as it relates to our special line of manufacture, as follows:

	Cents.
Average cost per pound in wages at our factory	14¼
Average cost per pound in wages in England	6

We would call your attention in this place to the fact that this is not ordinary wire drawing, but a specialty in that line. Drill rods from their inductility require special skill and command a special rate of wages.

Our object in paying day wages is to get the most accurate work possible, while working by the piece has the result of getting the maximum of output.

In conclusion, we would say that in the manufacture of a watch there is at present prices about three cents worth of drill rods required in each watch; and that 35 cents buys a pound of wire which will make about one thousand needles, retailing at 25 cents per dozen. Consequently any reduction in the price of the wire could not be subdivided in any possible manner to affect the retail price.

In view of these facts, we beg that the present rate of duty be maintained.

Respectfully submitted,

RUTHERFORD BURGHER,
Treasurer.

Mr. BURGHER. We have two reasons for asking this. One reason is because in the manufacture of steel it requires a great deal of skilled labor to draw it. It is of very high carbon and steel, and is not ductile. It is required to be drawn in the smaller sizes. We have just made a start since 1889.

In the next place, we find that, by looking up the matter of wages in England, they are paying less than half what we have been paying in our factory. One gentleman of the committee made a statement that he had not heard anything about the poor consumer from the manufacturers. We have a case which we would like to call to the attention of the committee. The McKinley bill went into effect on October 6, and on the 10th the importers of New York issued a circular to the trade advancing the price of this wire on an average of 45 per cent. When we heard of that, we were selling it without any change in prices, and we issued a circular stating that fact, with the result that the importers immediately withdrew their advanced rates and returned to the old prices. As to the quality of the material we append circulars from the Waltham Watch Company and from the Edison Phonograph Works attesting the superior quality of our wire.

The CHAIRMAN. In what shape do you buy your material?

Mr. BURGHER. In the shape of steel rods. They are laid down at our works in that shape. We supply the electrical companies and all the watch companies in the United States.

Mr. DALZELL. About how long have you been established?

Mr. BURGHER. There were efforts made to establish works of this sort for fourteen or fifteen years, but there never has been any American steel rods made that could successfully compete with the English

product until about five years ago. At that time we were making a struggle to do it.

Mr. DALZELL. What has been the course of prices; have they gone up or down?

Mr. BURGHER. Prices were 25 to 35 per cent higher, and we thought we saw a margin, and went into the business.

Mr. DALZELL. The effect of the establishment here has been to bring down prices?

Mr. BURGHER. Yes, sir; I think that is the case.

Mr. DALZELL. What you want is the reduction of the present duty?

Mr. BURGHER. Reduction of the present duty on wire of all kinds at 4 cents a pound. We would also like a clause defining wire. I think that is all I have to-day.

FLAT STEEL WIRE.

(Paragraph 148.)

NEW YORK, *September 19, 1893.*

SIR: As steel manufacturers and importers, we respectfully beg to call your attention to the fact that the specific duties on steel named in the latter part of section No. 146 of the metal schedule of the present tariff act averages, for the better qualities, between twenty-five and thirty per cent ad valorem, and as such steel is known as raw material and mostly imported a liberal reduction of said rate is earnestly requested at your hands.

We also beg to call your attention to that part of section No. 148 which reads as follows: "*And provided further*, That flat steel wire or sheet steel in strips, whether drawn through dies or rolls, untempered, or tempered of whatsoever width, twenty-five one thousandths of an inch thick or thinner (ready for use or otherwise), shall pay a duty of fifty per cent ad valorem."

We claim this rate to be a great injustice to American consumers of articles made from this steel, such as pens; also very fine springs for watches, watch parts, and so forth. Steel for these purposes is all imported, and as the present high rate is beyond all reason we feel sure that you will, in your good judgment, greatly reduce the same.

Respectfully submitted,

S. & C. WARDLOW.
FRANK S. PILDITCH,
Attorney.

WIRE.

(Paragraph 148.)

TRENTON, N. J., *September 14, 1893.*

SIR: We herewith beg to call the attention of your committee to reasons which seem conclusive to ourselves why, in the proposed revision of the tariff law, the duties on iron and steel wire, wire rope, wire strands, and other wire goods should not be further reduced. The duty levied on

iron and steel wire prior to the act of 1883 and the reduction due to that act are shown in the following table:

Sizes.	Duties per acts prior to 1863.		Duties per act of 1883.	Reduction.			
				Iron.		Steel.	
	Iron.	Steel.	Iron and steel.	Specific.	Ad valorem.	Specific.	Ad valorem.
				Per ct.	*Per ct.*	*Per ct.*	*Per ct.*
Not smaller than No. 10.	2 cents per pound and 15 per cent ad valorem.	2½ cents per pound and 20 per cent ad valorem.	1½ cents per pound	25	15	40	20
Nos. 11 to 16..	2 cents per pound and 15 per cent ad valorem.	2½ cents per pound and 20 per cent ad valorem.	2 cents per pound.	.....	15	20	20
Nos. 17 to 26..	3½ cents per pound and 15 per cent ad valorem.	3 cents per ponnd and 20 per cent ad valorem.	2½ cents per pound.	28⅞	15	16⅝	20
Smaller than No. 26.	4 cents per pound and 15 per cent ad valorem.	3 cents per pound and 20 per cent ad valorem.	3 cents per pound.	25	15	.....	20

The reductions shown in the foregoing table are perfectly enormous and would have closed every wire mill in the country had it not been for the fact that during the last ten years the commoner grades of soft steel have been very largely reduced in cost, and they have gradually been substituted for iron. This, however, has not been the case with the higher grades of steel, which have been largely imported between 1883 and 1890.

The act of 1890 wiped out all differences in the schedule between iron and steel wire, etc., and made a further reduction in duty of $5.60 per ton. The result of this is that importations have increased enormously, as is shown by the following figures taken from the summary statement of imports and exports during the fiscal year ending June 30, 1890, as published by the Treasury Department, page 5:

Imports of twelve months ending June 30, 1893, 9,305,075 pounds. Imports of twelve months ending June 30, 1892, 8,072,137 pounds. Increase, $15\frac{3}{10}$ per cent.

The foreign value at works of the importations of 1893 is $6\frac{15}{100}$ cents per pound.

Imports of the month of June, 1893, 1,205,713 pounds. Imports of the month of June, 1892, 754,736. Increase, $59\frac{7}{10}$ per cent.

The range of size and quality in iron and steel wire goods is very great and covers a list so extensive that it would be exceedingly difficult to provide for each specifically.

In addition to the existing low rates of duty is the fact that wire-rope ship rigging for vessels in foreign trade is admitted free. An American manufacturer has no possible chance to compete for this business.

Very respectfully,

JOHN A. ROEBLING'S SONS CO. AND OTHERS.

WIRE, ETC.

(Paragraph 148.)

SIRS: I call your attention to various articles on which the duty should be greatly reduced, particularly on files, which should not pay a higher rate of duty than 25 per cent ad valorem.

I also suggest that section 164, in reference to chains, be passed according to the bill introduced by Mr. Mills, and that "Articles of jewelry" should include only such as are made of precious stones and precious metals, making an exception of those that are made of base metals.

Furthermore, section 148, referring to wire, should read "Steel and brass wire," 1¼ cents per pound up to No. 10. Smaller than No. 10 and not smaller than No. 16, 1¾ cents per pound. Smaller than No. 16 and not smaller than No. 20, 2¼ cents per pound. Smaller than No. 26, 3 cents per pound. The balance of section No. 148 to remain as it now is.

And that section 155, referring to anvils, remain as it now is, the duty being 2½ cents per pound.

In regard to the manufacture of glass, the present law places lens stock on the free list. As that article is simply cylinder glass, and can be used for many other purposes, I can not understand why it should be free, when cylinder and crown glasses are assessed at from 1⅜ cents to 3⅛ cents per pound. If one is free, the other should also be so, or *vice versa*. The present rate of duty on these articles shows a great discrimination between one manufacturer and another.

Another point to which I desire to call your attention is the great annoyance to which all importers are put in regard to the McKinley bill in having to stamp every article imported with the name of the country from whence it comes. This is a great hardship to all importers of small wares, and it is something utterly impossible to be complied with, and I therefore call your attention to this matter for the purpose of having that section of the law repealed.

I also wish to add that the duty on spectacles and eyeglasses and parts thereof should be reduced to 25 per cent ad valorem for the reason that the laborer and farmer, who are the real producers of our noble country, would be in a position to preserve their eyesight, as the eye is one of the most delicate and most necessary organs of the human body. Under the high rate of tariff of 45 per cent of the year 1883 the American Optical Company has grown to be a very rich corporation. During a conversation I had in the year 1890 with one of the largest spectacle manufacturers in this country, Mr. T. A. Willson, of Reading, Pa., in reference to this subject, he informed me that the rate on spectacles and eyeglasses and on lenses might be lowered without detriment to the American manufacturers. He also stated that he exported large quantities of spectacles and eyeglasses of his make to Canada and England as well as to other parts of Europe. Consequently, if the duty on spectacles, eyeglasses, and lenses were reduced to 20 per cent or 25 per cent there could be no question at all as to that rate of duty being amply sufficient protection for our American manufacturers, particularly with a reduction of duty on lenses. Furthermore, if you will make inquiry you will learn that a good deal of the work is done by female help—at least I have so been informed upon investigating the matter.

As I know that you are pestered with petitions in reference to every known article, whether in its raw state or manufactured, I will refrain from alluding to any more than the few articles mentioned in the foregoing, although I consider the present rates of duty on a great many articles entirely too high; I will leave it to others to call your attention to such as I have not referred to. I, however, recommend the duty of 45 per cent on pebbles being maintained.

Very truly yours,

J. W. RIGLANDER,
205 West Fifty-seventh street.

AXLES.

(Paragraph 151).

SATURDAY, *September 16, 1893.*

STATEMENT OF MR. W. C. DALZELL, OF SOUTH EDGREMONT, MASS.

Mr. CHAIRMAN: I desire to call your attention to-day to something included in the present tariff law which works an injustice to the industry which I represent. I refer now to the manufacture of carriage axles. Under the old law these goods paid a duty of 45 per cent ad valorem; under the new law they are admitted at 2 cents a pound, which in the higher grades of these goods amount to 12 or 15 per cent protection. This is entirely inadequate for a proper protection of our business inasmuch as the larger part of the cost of carriage axles is in the labor employed in making them. I refer to that inequality in the tariff, and to show you where this inequality lies, I would refer to the schedule of duties under the law of October, 1890, and in that we find that the duty on carriage axles as I stated, on axles of whatever grade is placed at 2 cents a pound. In the same line and next to it we find that the duty on axes and articles in which labor does not bear so important a part is placed at 45 per cent ad valorem. We find that cables, chains, and articles not difficult to manufacture are placed at 45 per cent ad valorem; also forgings of iron or steel in whatever state of manufacture, be it in the rough or partially finished, shall not enter at less than 45 per cent duty. Now, I suppose, gentlemen, that the committee who framed that bill intended this low rate of duty of 2 cents a pound to apply only to the lower-priced axles and to car axles or locomotive axles, and I should think that would be a sufficient duty applied to articles in which labor bears no larger proportion of the cost than it does in the car axles, but when it is applied to carriage axles, an article difficult to manufacture, calling for the highest character of skill in the workmen, it is entirely inadequate, and it is insufficient for the following reasons: The first is the large proportion of cost which labor bears and large percentage of cost it bears to the cost of the product. In many of our goods the labor costs twice and in a few of them three times as much as the materials used; and another reason which lies close alongside the first one is the very much higher rate of wages we pay in this country than our competitors pay abroad. This amounts to a difference between this country and England of 80 per cent; between the German manufactures and ours there is a difference of 100 per cent and over in the

amount paid for labor, and in parts of France the difference is even greater. Now, the axle to which I referred was not enumerated in the schedule of the tariff of 1883. There is no word of axle in that tariff bill. They therefore probably came in as manufactures of iron and steel not elsewhere provided for at 45 per cent ad valorem. What I would like to have this committee do is, we pray your honorable body to restore the duty which was in force previous to the present time and place these goods where they belong in the line of other carriage hardware. You will notice in the present bill carriage hardware is omitted and pays a duty of 45 per cent.

Mr. TURNER. What paragraph is that; do you remember?

Mr. PAYNE. One hundred and fifty-four, I think it is. It is stated in our tables here as being 2½ cents a pound in 1883.

Mr. DALZELL. Axles? I do not so understand it.

Mr. PAYNE. I have not the law of 1883 before me.

Mr. DALZELL. I would like to show to the gentlemen of the committee the article upon which I am speaking, and the different combinations, and the amount of labor necessary to the production of this article. The duty of 2 cents a pound, as applied to the truck axle, or the express-wagon axle, or the car axle, is entirely sufficient, but as applied to the axle, the high-priced axle, such as is used for the high-priced, luxurious carriages, the labor on them is such that it is entirely insufficient.

Representative DALZELL. Pardon me for a moment. The act of 1883, section 166, provides that iron or steel axles, or axle bars, axle blanks, or forgings for axles, without reference to state of manufacture, are 2½ cents per pound.

Mr. DALZELL. Gentlemen, be that as it may, I stand here to plead for the recognition for the amount of labor and capital which is invested in this industry, and to show you the difference in the cost of the construction of such an axle as this and those which run under a car or a truck, or express wagon. You can see for yourselves [exhibiting]; this is an article calling in its manufacture for skill of the highest character of the labor employed. There is the brass work belonging to this axle which is charged 45 per cent. When it is attached to this axle which I show you it comes in at 2 cents a pound. We claim that is unjust to us as manufacturers.

Mr. BRYAN. You mean you prefer an ad valorem duty to a specific?

Mr. DALZELL. Yes, sir; you may take an axle on the truck or under an express wagon on the street and it weighs 80 pounds and the duty on that express axle is $1.60, and you may take an axle under one of your broughams which cost $1,000 and it weighs 80 pounds and the duty on it is $1.60. There is no justice in that to the manufacturer of high-priced goods. He has to compete with these things which places him on an inequality, and we desire and maintain we are right in calling for an increase of duty on our goods. All other carriage hardware is taxed 45 per cent. A little of that axle pays a duty of what is demanded on the finished product. The iron of that case pays a duty of 1½ cents a pound before it is placed on the axle, and yet the total cost is almost all labor. You can see these goods are finished like a gun barrel, and it requires high skill and greater amount of labor to do it.

Mr. BRYAN. Is not that objection made to all specific duties?

Mr. DALZELL. It certainly works that way in this case. I have not investigated to know what may be the result in other kinds of manufacture. This axle which lies here only weighs 11 pounds, and this would have a duty of 22 cents if it were imported. Now, I do not

know but what there are some things in the list too high, but what I know, and what any reasonable man can see, is that these goods are too low.

Mr. BRYAN. The total duty is 22 cents?

Mr. DALZELL. Yes, sir.

Mr. BRYAN. What do you sell them for?

Mr. DALZELL. Sixteen dollars a set; $4 for that axle.

Mr. PAYNE. How long have you been making these?

Mr. DALZELL. We began the manufacture of those in 1873.

Mr. BRYAN. Has your industry grown?

Mr. DALZELL. Yes, sir.

Mr. BRYAN. Notwithstanding your duty is 5 per cent you are prosperous?

Mr. DALZELL. That axle is not a fair illustration perhaps of the duty. The duty goes nearer to 15 per cent, and in some cases 20 per cent in the cases of heavier goods; this manufacture is a light one.

Mr. BRYAN. Now, will you give us a reason why that duty should be increased if you are progressing under it nicely?

Mr. DALZELL. I stated the goods came at 45 per cent, if I am mistaken in that I stand corrected. The foreign goods were not pushed in this market until after the McKinley bill passed and the most I know of it then, I did not keep any track of tariff legislation, is we were not represented before the committee, that is the manufacturers of axles were not represented before the committee, not having had any trouble previous to that time, but immediately after the passage of the McKinley bill we began to have such letters as this from our customers: "We are offered 1⅜ full collinge with flaps on all for $19 per set. What is the matter with the tariff?" Those are very prominent carriage people in New Haven, Conn. I went down just after that to see those gentlemen and while there a solicitor from an importer was in the office and he stated that the duty had been lowered and there was not any prospect of having it put back again and they were going to push for the market. He said that they had hoped for a long while to have it revised in their favor, and as it had been done that they were ready to furnish the market with products. Previous to this time we had not encountered this competition.

Mr. BRYAN. Do you mean to say they were offering to sell that kind of an axle for $19 a set?

Mr. DALZELL. It was different from this. It was a heavier axle with a solid flap over the side for the spring which he offered to sell at $19, but I have bills, invoices from this house which are even lower than that. These same goods cost us $23 to manufacture.

Mr. BRYAN. Then you want a tariff to charge $23 or more.

Mr. DALZELL. Our price is $26 for that article. It is offered at $18.75, 3 off.

Mr. BRYAN. You cannot sell in competition with the $19 axle at all.

Mr. DALZELL. No, sir.

Mr. BRYAN. You want the tariff raised so you can sell your axle for $26.

Mr. DALZELL. Yes, sir.

Mr. BRYAN. How can you do that, except by making the foreign article cost $26?

Mr. DALZELL. I do not see any other way, sir. If we can have a duty that is commensurate with the difference in the cost of material and the cost of labor we will stand on a footing with other industries. Now, as I remarked before, carriage hardware, which is similar to this,

taking a prominent or important place in the construction of a carriage, and which is largely composed of what is simply drop forgings, pays 45 per cent duty. There is much more labor percentage in the cost of this article than the so-called carriage hardware.

Mr. BRYAN. Where is your factory?

Mr. DALZELL. South Egremont, Mass.

Mr. BRYAN. Do you know Mr. Sargent?

Mr. DALZELL. I have heard of him. I do not know him.

Mr. BRYAN. He has a large factory?

Mr. DALZELL. I was near his place Wednesday.

Mr. BRYAN. Mr. Sargent, I believe, has stated that where a greater proportion of labor is employed and less material is used you can compete with foreigners better than where the proportion of material is large and labor small.

Mr. DALZELL. That is entirely opposite to our experience. It may be entirely true in his business, but you can easily see the difference here. The man who is running a delivery wagon or an express wagon for a living pays as much duty on his axle as the gentleman who rides in a $1,200 carriage.

Mr. BRYAN. You do not think that is fair?

Mr. DALZELL. It is not fair to those parties, and it certainly is not to the manufacturer here.

Mr. BRYAN. Do you believe in a high duty upon what are called luxuries?

Mr. DALZELL. I believe in a higher duty upon those articles upon which the greatest amount of cost is labor, be they articles of luxury or otherwise.

Mr. BRYAN. Do you know what the labor cost of making that axle abroad is, or simply the wages paid?

Mr. DALZELL. I know simply the wages paid.

Mr. BRYAN. You have never made any investigation of the actual cost of production?

Mr. DALZELL. That would be beyond my power, I suppose. I can tell you that we have a man in our employ, acting as foreman, who learned his business in England, and he stated to me that men who are now employed making $18 could not make over $10 there, and making $16 could not make over $6 to $7 there.

Mr. BRYAN. That is a reference simply to the relative wages paid, but does not affect the labor cost of the article?

Mr. DALZELL. Certainly. In these axles the labor, as I stated, in some cases is two-thirds the cost.

Mr. BRYAN. But is it not true that one man working at a dollar a day may realize less to his employer for every dollar paid to him than another man who receives $2 or $3?

Mr. DALZELL. That may be true, but we would not keep him a great while.

Mr. BRYAN. You want men who receive $3 or $4 a day, and yet you get more work for every dollar?

Mr. DALZELL. We find the mechanics who come to us from abroad are fully equal to our mechanics here, and we expect fully as much of them, and we receive it. The plans and methods of manufacture are very similar in both countries. This is forged out under a steam or trip hammer from a solid bar large enough to make that collar, and the amount of hand-labor on this exceeds that of any other product which has been before you, I have no doubt. The man takes that up, the forging, which is entirely hand-labor, and places that in an engine

lathe, and he turns it up, which is a laborious operation. It has to be perfectly true and parallel, because it has to go on that [illustrating]. It is absolutely hard, like glass, and it has to be a perfect fit, which requires skill and a great amount of labor to do it.

Mr. BRYAN. You say you have only compared the wages per day and not the labor cost?

Mr. DALZELL. No, sir; I can not state to your committee whether they cost twice as much or three times as much.

Mr. BRYAN. How long have you been engaged in this business?

Mr. DALZELL. I went into business myself in 1862.

Mr. BRYAN. How long have you had the same tariff you have now?

Mr. DALZELL. I do not know.

Mr. BRYAN. You do not know how long this tariff has existed?

Mr. DALZELL. I know when the goods began to appear in our market. I do know this. They were imported in this country when we began to manufacture them, and they cost then $40 what we now sell for $20.

Mr. BRYAN. What did you sell for at that time?

Mr. DALZELL. We sold for the same price.

Mr. BRYAN. Forty dollars?

Mr. DALZELL. Yes, sir.

Mr. BRYAN. Has the reduction in the cost been due to competition or due to improved machinery?

Mr. DALZELL. It has been due to home competition. There are other concerns engaged in this industry which I had hoped to have here to-day with me. I have a letter here from one of them, which I will read to the committee. He is a prominent manufacturer in Newark.

Mr. BRYAN. How many manufacturers are there?

Mr. DALZELL. Five manufacturers in this country.

Mr. BRYAN. How much did you start in with in 1863?

Mr. DALZELL. How much capital? I know what I paid for one-third interest in the business. My father took my brother and myself into partnership with him in 1868, after I had learned the trade, so to speak.

Mr. BRYAN. How much had the three invested at that time?

Mr. DALZELL. We invested about $24,000.

Mr. BRYAN. What is the capital now?

Mr. DALZELL. I believe our plant and capital in it would amount to $100,000.

Mr. BRYAN. That is since 1868?

Mr. PAYNE. You say you have mechanics who spent years in their business who come from the old country and go to work for you. You have never made the discovery that these men the moment they landed in this country were able to produce twice as much in an hour as in the old country? You never made that discovery in the business?

Mr. DALZELL. No, sir.

Mr. PAYNE. Have you ever discovered they could do any more?

Mr. DALZELL. No, sir; I think that the average man with the average intelligence, taught his business, will do as much in one place as another.

The CHAIRMAN. You could not have read Mr. Blaine's statement?

Mr. PAYNE. I think that has never been discovered outside of theories.

Mr. DALZELL. We have had a good many men working for us at different times who learned their business in the old country, and we have always found them to be fully equal, as far as I remember. There *will be poor workmen* among them as among our own workmen.

Mr. BYNUM. And you think a man who eats meat only once a week can perform as much labor as the man who eats meat every day?

Mr. DALZELL. I would like to be as stout as some Irishmen who come here who never saw much meat.

Mr. BYNUM. He is so bloodthirsty he does not need meat, I presume?

Mr. DALZELL. The fact is, that the most robust men we have had are not those who have had the privilege of high living.

Mr. PAYNE. There are, I suppose, some Italians there who always live on maccaroni?

Mr. DALZELL. We have not had much experience with those, as we do not want them around.

Mr. BRYAN. You do not mean to insinuate that the labor of this country is guilty of high living?

Mr. DALZELL. Our men live very nearly as well as I do. With your permission I will read this communication from Mr. Theodore Gray, of the Tomlinson Spring Company, of Newark, N. J.:

NEWARK, N. J., *September 12, 1893.*

MY DEAR SIR: Yours 11th at hand, and I have already wired you that I can not go to Washington with you, as proposed by you. Our Mr. Hotchkiss is away this week, and other matters besides this, that would keep me here. I am glad that you are going on, and trust that you will be well fortified with facts and figures. The present duty on axles is clearly one of the most unjust of the present tariff schedule. The very fact of their being no classification of axles based on their value, finished, makes it unjust. I trust you will advocate an ad valorem duty; that's the only fair way of getting at it. Take, for instance, a set of 1¼ axles, to weigh, say, 80 pounds, at 2 cents per pound duty is $1.60. If they are of common-axle class, that sell here for 3½ cents per pound, they would be worth $2.80, and would pay duty of $1.60. If of Collinge class they are worth here, say, $18 to $22, yet they pay duty of $1.60, same as the axles worth only $2.80. Surely there is no justice in that, and the fact that they come in under the head of unfinished goods is again all wrong. You know they are finished absolutely, ready to weld in the center, the same as you and we send out to all carriage-builders, and the same as the foreign axle-makers send their home customers, the carriage-builders. Again, flaps and crank axles, on which much labor is spent in forging on an anvil by hand labor, the additional weight of flaps and crank is all the extra duty paid, a few cents only, yet the labor on that set of cranks and flaps cost $3 to $10 or even $20, and while the foreign axle-maker charges the carriage-builder here an extra price for these cranks and flaps, depending of course on the cost of forgings and his profit added, the Government gets but a few cents extra duty, merely the additional weight over plain Collinge axles.

With an ad valorem or per centum duty on all axles, based on their home values when produced, the Government would receive a revenue in accordance with the value of the goods. Again, there is no reason why they should not pay duty according to their honest value. Take the low grade of 3½ cents per pound axle, if imported at all, it is for use on trucks, carts, express and delivery wagons of all kinds, used by tradesmen all over the land, and on farm wagons to a large extent, all vehicles that people use to carry on their business with and to earn their living with. But how different with Collinge's that are used exclusively for pleasure vehicles of high cost and by people who can afford to buy and use this class of vehicles. Let me illustrate further. Take, say, a light farm wagon, or city delivery wagon, 1¼ axles; cost of axles, say, $2.80; weight, 80 pounds; if imported, duty, $1.60; wagon sells complete for $75 to $100. Take a brougham or cabriolet; sells from $900 to $1,400; axles, 1¼ Collinge; weight, 80 pounds; if imported, duty, $1.60; axles valued here $18 to $22. And we have one fellow with a wagon costing $100 to earn his living with, his axles costing $2.80; another fellow with a luxurious carriage which to ride in, costing $900 to $1,400, his axles costing, say, $18 to $22, and each set of axles paying duty of $1.60. Nothing in the way of duty on goods could be more unjust than this. A per centum duty on axles is what is wanted, and to equalize difference of cost of materials and labor used, not less than 45 per cent ad valorem should be the rate of duty. I have written you hurriedly, but with time and patience you will be able to make out what I say, and if of any use to you when you appear before the committee, why use it. Let me hear from you when you return home.

Yours, truly,

THEO. GRAY,
Secretary.

I have here invoices of that axle to which I referred, which we purchased for a customer of ours in New Haven.

This industry is of considerable importance, not only to the gentlemen who happen to be at the head of the establishment, but to quite large communities. We are not millionaires; we are not large manufacturers. I worked at the bench for seven years, and have since had charge of the business. The village in which I live is entirely dependent upon the success of our manufacturing. Nearly all the places in it are inhabited by workmen in our employ, and many of them have succeeded in obtaining a competency and are living in their own homes. We trust you will put us in a position where we can continue this condition of affairs and go forward in the hope of even better things.

As I stated, the home competition has reduced the cost of these goods from what was at one time $40 to the present cost of $20 to the public, and we think that while we have spent our time and money and are growing old, incidentally, we do not wish to see the fruits of our efforts in that direction taken away.

I have nothing more to say, gentlemen, but to thank you.

Mr. BRYAN. Where is the town?

Mr. DALZELL. It is in the Berkshire Hills, Egremont, Mass.

Mr. BRYAN. You say that almost all the inhabitants are dependent upon your business?

Mr. DALZELL. Yes, sir.

Mr. BRYAN. What is the population?

Mr. DALZELL. Some 250 or 300, I should say more than 250, because we have 60 men in our employ; I should say in the neighborhood of 300.

Mr. BRYAN. I understood you to say you did not appear before the last Ways and Means Committee?

Mr. DALZELL. No, sir.

Mr. BYNUM. You were unfortunate.

Mr. DALZELL. I believe we are talking to fair men. I do not suppose, Mr. Chairman, that that committee had any knowledge whatever of this article. We ought to have been here to demonstrate to them that we were entitled to 45 per cent duty, and if we had demonstrated it we would have had it.

Mr. PAYNE. You would have had the protection that every American manufacturer is entitled to.

Mr. DALZELL. I believe this honorable committee to be men whom I can trust to be as fair-minded as much as the other committee.

CARD CLOTHING.

(Paragraph 159.)

NORTH ANDOVER DEPOT, MASS., *September 18, 1893.*

SIR: The present duty on card clothing is 50 cents per square foot on tempered steel-wire clothing, on all other 25 cents per square foot. (See custom laws under head of manufacturers of iron and steel, section 159).

When the Mills bill was prepared no hearing was held upon this article and it was in the bill as 25 cents per square foot, on tempered steel and 15 cents on iron-wire clothing. The matter was presented before the committee later, showing them the great hardship it would produce, and with the cheap labor of England and material so cheap

there it would be impossible for manufacturers in this country to compete with foreign makers, and after investigation the Ways and Means Committee through Mr. Mills proposed that the duty be restored to 45 cents per square foot, and it was so changed in the Mills bill in the House.

When the McKinley bill was reported the duty on wire and other articles entering into the manufacture of card clothing having been increased quite largely they increased the duty on tempered steel-wire clothing 5 cents per square foot, making it at present 50 cents per square foot, instead of 45 cents as before the Mills bill was reported. Iron-wire clothing and all other kinds of wire remaining at 25 cents, the same as formerly. The increase of 5 cents on tempered steel-wire clothing was only about one-half the increase of duty on the stock from which it is made.

The competition in England is still very great, as their labor and material is so cheap and they seem to be willing to make clothing without profit and send it to the United States, in order to keep their machinery in operation.

The returns from the custom-houses of New York, Philadelphia, and Boston from July 1, 1892 to July 1, 1893 show that there was imported during that period 225,860 square feet of card clothing which is about 25 per cent of all the clothing made in this country.

At the same period fully one-third of the card-setting machinery in the United States was idle on account of lack of work.

You will see by the above statements the necessity of substantially the same rate of duty upon card clothing as it is at present, in order that we may compete with the English or be able to operate our establishments.

Respectfully yours,

DAVIS & FURBER MACHINE COMPANY,
Per JOHN A. WILEY,
Treasurer.

POCKET CUTLERY.

(Paragraph 165.)

THURSDAY, *September 14, 1893.*

STATEMENT OF MR. W. F. ROCKWELL, OF MERIDEN, CONN.

Mr. CHAIRMAN: If my associate, Mr. Bradley, will give the members of the committee a copy of this paper they can follow the statement much better.

We respectfully submit the following comparison of amounts and prices of pocket cutlery imported, with quantities and prices of the same class of goods made in the United States:

Year.		Rates of duty.	Number of dozens in each classification.	Average value per dozen of each classification.	Average ad valorem rate of each classification.	Foreign value of each classification.	Total foreign value.	Average ad valorem rate of duty on total importations.	Duty collected.	Total value of foreign pocket cutlery, duty paid.	Total American product.
					Per cent.			*Per cent.*			
1882							$975,000.00	50	$487,500.00	$1,462,500.00	$1,320,000
1887							1,200,000.00	50	600,000.00	1,800,000.00	815,000
1888							1,245,900.00	50	622,950.00	1,868,850.00	795,000
1889							1,337,450.00	50	668,725.00	2,006,175.00	730,000
1892	Year ending July 1:										
	Valued at not more than 50 cents per dozen.	12 cents per dozen and 50 per cent.	324,889	$0.38	81	$125,269.95					
	Valued at more than 50 cents per dozen, and not exceeding $1.50 per dozen.	50 cents per dozen and 50 per cent.	235,900	1.10	95	260,260.17					
	Valued at more than $1.50 per dozen, and not exceeding $3 per dozen.	$1 per dozen and 50 per cent.	72,173	2.29	93	165,927.40					
	Valued at more than $3 per dozen.	$2 per dozen and 50 per cent.	28,977	5.28	87	153,022.64	704,480.16	90	639,303.96	1,343,784.12	1,500,000
	Total number of dozens imported, 661,939 dozens, at an average price of $1.06 per dozen.		661,939								
	Total number of dozens made in the United States, 468,750 dozens, at an average price of $3.20 per dozen.										
1893	Year ending July 1:										
	Valued at not more than 50 cents per dozen.	12 cents per dozen and 50 per cent.	433.185	.38	81	164,610.30					
	Valued at more than 50 cents per dozen, and not exceeding $1.50 per dozen.	50 cents per dozen and 50 per cent.	294,875	1.10	95	324,362.50					
	Valued at more than $1.50 per dozen, and not exceeding $3 per dozen.	$1 per dozen and 50 per cent.	93,824	2.20	93	214,856.96					
	Valued at more than $3 per dozen.	$2 per dozen and 50 per cent.	38,157	5.28	87	201,468.96	905,298.72	90	816,571.67	1,721,870.39	1,600 000
	Total number of dozens imported, 860,041 dozens, at an average price of $1.06 per dozen.		860,041								
	Total number of dozens made in the United States, 500,000 dozen, at an average price of $3.20 per dozen.										

Total foreign value of pocket cutlery imported last year.....	$905, 298. 72
Approximate foreign value of pocket cutlery made in United States...	842, 105. 00
Total foreign value of pocket cutlery consumed in United States.	1, 747, 403. 72
If mills were closed here, and all pocket cutlery imported at 50 per cent ad valorem, the revenue received would be but.....	873, 751. 00
The revenue as shown above for past year amounts to	816, 571. 67

The above statement shows the condition of the pocket cutlery trade, foreign and domestic, from 1882 to 1893. The American manufacturers were gradually losing their business from 1882 to 1891 under the 50 per cent tariff. They have more than doubled their capacity and output since 1891. The cost of foreign pocket knives has been greatly reduced since 1890, and the wages in American factories materially increased. We have proven before, that cutlery-operatives' wages were four times greater in this country than in Germany, and more than double those paid in England. We believe that a glance at the average foreign prices per dozen as compared with American will amply confirm our statement.

About 2,000 operatives are now employed in the manufacture of pocket cutlery in twenty factories in this country. Skilled workmen are earning from $2.50 to $4 per day.

About $2,500,000 is now invested in pocket cutlery and lines of manufacturing auxiliary to it.

We invite your particular attention to the following statements. The average rate of duty on dutiable imports is about 50 per cent. The average proportion of labor to cost of all goods imported is now about 30 per cent. The actual proportion of labor to cost of Pocket Cutlery is 80 per cent. The average protection to labor, with labor cost at 30 per cent, is 166⅔ per cent. The protection to labor on pocket cutlery, with labor cost at 80 per cent, is 62½ per cent.

To make the protection to labor employed in the manufacture of pocket cutlery equitable with the average duty at present in force, the rate should average 133⅓ per cent.

EXAMPLE.

Average labor, as 30 per cent; pocket-cutlery labor, 80 per cent; average duty, 50 per cent; should be on pocket cutlery, 133⅓ per cent.

Prior to 1891 it was practically demonstrated that a majority of American pocket-cutlery manufacturers were losing money, on a continually decreasing business. Since 1891 the majority have been doing a satisfactory business, the earnings from which have been mainly used with new capital in increasing and improving factory plants.

The foregoing comparison of foreign and domestic pocket cutlery interests would seem to indicate that rates of duty had been established, whereby not only the *largest revenue* could be realized, but a fairly equitable competition maintained.

WILLIAM F. ROCKWELL, *Meriden, Conn.*,
THOMAS W. BRADLEY, *Walden, N. Y.*,
Committee Representing American Pocket-Cutlery Manufacturers.

We have nothing further to state in regard to it only to answer any questions the committee may see fit to propound to us.

Mr. BRECKINRIDGE. I observed some time ago advertisements in the New York newspapers from the cutlery manufacturers in which they were offering stock in a proposed consolidated concern upon the market, and there was a business statement of the profits of the business for a long time in the past. Do you know anything about that prospectus?

Mr. ROCKWELL. I had nothing whatever to do with it.

Mr. BRECKINRIDGE. Your firm is not one of the number?

Mr. ROCKWELL. We were not connected with that arrangment in any sense, shape, or form.

Mr. BRECKINRIDGE. Do you know the firms who were connected under the proposed arrangement?

Mr. ROCKWELL. That our firm was named as one company, and there was an arrangement, some people talked of buying us out, but so far as any advertisement was concerned we never knew anything about it.

Mr. BRECKINRIDGE. These advertisements seem to have been only put in the newspapers by the bankers who were the agents for floating the scheme. However, the matter of chief concern is the responsibility of the statements made in that business publication.

Mr. ROCKWELL. We were in no way responsible for the statements made in that business publication.

Mr. BRECKINRIDGE. Do you believe the statements made in that publication were true.

Mr. ROCKWELL. I know they were not true.

Mr. BRECKINRIDGE. They appear to have been made under oath of these different firms?

Mr. ROCKWELL. Not the statement that appears in the publication, as I understand it.

Mr. BRECKINRIDGE. I have a copy, not here by me, of the prospectus issued by these bankers; are you perfectly familiar with the paper issued by those firms?

Mr. ROCKWELL. I have seen it.

Mr. BRECKINRIDGE. You say you do not believe the statements are true?

Mr. ROCKWELL. There are a great many statements in that which are entirely untrue.

Mr. BRECKINRIDGE. You believe their general statement of the cutlery business is not true?

Mr. ROCKWELL. I think they are greatly exaggerated. Unless I had the statement you know I could not particularize, as it has been so long since I saw the particulars.

POCKET CUTLERY.

(Paragraph 165.)

STATEMENT OF MR. THOMAS W. BRADLEY, OF WALDEN N. Y.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: As the firm of which I am a member is also named in the United States cutlery prospectus, I prefer to meet that question at the outset.

Mr. BRECKINRIDGE. I will be very glad to have your statement.

Mr. BRADLEY. I will give a simple recital of what I know about it. After some forty years' connection with the manufacturing business and having reached the time of life I would rather pursue something not so onerous, I was open to proposals of purchase and sale of the manufactory with which I am connected, and when a party came to me with good recommendations and asked me what I would sell the plant of which I am a majority owner and first officer of, after conferring with my associates, 90 per cent of whom are widow ladies whose partners in life grew up with the business for the past forty odd years, and therefore who would rather cash their assets in the manufacturing business, we unanimously agreed to sell the plant. I named the price and made a contract with a party——

Mr. BRECKINRIDGE. What price did you name?

Mr. BRADLEY. I really forget now, but I think it was something like $300,000, of which I would take two-thirds in cash and one-third in stock in the united company which I was told by this party certain influential people in the trade expected to form. That was a matter of

little concern to me. I made a business contract with the party, and the main point of that contract is this—I was very careful to see to that—that it should be a bona fide purchase and sale; there should be no advertisement of any united company, or formation of any company, or anything said about the matter until I had received the purchase price and transferred the title. We rested on that. The transfer of purchase was to be made on the 1st day of July, 1892. As a delegate of the 14th Congressional district to Minneapolis returning from the convention, I was razzle-dazzled to read in a New York paper, which I got in Toledo on the way home, a prospectus of the proposed, or as stated there, the organized United States Cutlery Company. My contract was simply to sell. The parties who prepared that prospectus—I do not know who prepared it, I was and my firm was no party to it. My name was used without my authority; my firm was mentioned without authority; and the company was organized without authority so far as I was concerned. I at once telegraphed the bankers who had placed the matter upon the market, and absolutely and positively repudiated the whole matter or any connection with it and demanded that they withdraw it from the market. I at once received word from the bankers, who were respectable men, that they had been informed to the contrary, and they hoped that I would not publicly repudiate the transaction on their account, and recognizing their respectability, recognizing also that they had been most shamefully deceived, I agreed not to publicly repudiate the matter on the condition I was indemnified against any expenses connected with the matter in any way whatever. My action was followed, I believe, by the action of every other member whose name was mentioned and the matter was withdrawn from the market and that ended it. Mr. Breckinridge, this is the age of buncoing. I am grateful for the experience I have, because I do not think I shall ever be caught again in the same hole, but I never came so near being buncoed in my life.

Mr. BRECKINRIDGE. You have given us a very interesting statement, but a phase of the matter which was not the point to which I was directing my inquiry?

Mr. BRADLEY. I will try to answer any questions you wish to put.

Mr. BRECKINRIDGE. I am not making any criticism upon the fact of sale, and of course I know nothing of that sale, but I was simply inquiring as to the correctness of the statement which was made in the business prospectus.

Mr. BRADLEY. As I recollect aright, it was a grouped statement of the condition of the profits, possibilities, etc., of these four plants. In my opinion the statements are incorrect so far as any statements are there shown. I never contributed to them under oath or in any other way, save so much as my business was open to the inspection of the party to whom I was to sell.

Mr. BRECKINRIDGE. Now, you were approached, and there was a proposal on the part of certain parties to buy up several of those establishments?

Mr. BRADLEY. The proposition originally was to buy all in the country.

Mr. BRECKINRIDGE. They were to get all?

Mr. BRADLEY. Yes, sir.

Mr. BRECKINRIDGE. Now, the business of your concern was examined into by expert accountants.

Mr. BRADLEY. Yes, sir.

Mr. BRECKINRIDGE. Have you any reason to believe that the gen-

eral statement which was published over the signature of those accountants was truthful and correct?

Mr. BRADLEY. If I had felt that the statement published of the prospectus was truthful and could have been borne out and no one deceived, I do not think I should have repudiated the sale even though there was a breach of confidence and an attempt to bunco and sell a plant that had not yet been paid for.

Mr. BRECKINRIDGE. You believe then that the statement or proposition issued by these bankers was not a true statement as drawn by these experts from the books of these various companies?

Mr. BRADLEY. Not entirely so.

Mr. BRECKINRIDGE. How far were they?

Mr. BRADLEY. I can not tell you unless I should dissect the prospectus in comparison with the items of my own business and dissect the items of my own business from the aggregate of the four companies as presented.

Mr. BRECKINRIDGE. They presented only a generalization?

Mr. BRADLEY. Exactly.

Mr. BRECKINRIDGE. My sole object is to get at the state of the business and the condition of this industry. Do you know these magnates who undertook to float this scheme?

Mr. BRADLEY. No, sir; only as I met them after I read the prospectus.

Mr. BRECKINRIDGE. You know nothing of their responsibility?

Mr. BRADLEY. I understand they are highly respectable and responsible bankers of New York City.

Mr. BRECKINRIDGE. Do you know anything of the accountants, the experts who made this examination into the books and business.

Mr. BRADLEY. I simply know who they are from presentation of their cards; I believe they are highly respectable gentlemen.

Mr. BRECKINRIDGE. They are considered responsible men by business men generally?

Mr. BRADLEY. I believe so.

Mr. BRECKINRIDGE. And competent?

Mr. BRADLEY. Yes, sir; I believe so. They are so reported; I do not know.

Mr. BRECKINRIDGE. That, of course, shows for itself.

Mr. BRADLEY. Now, Mr. Chairman and gentlemen, it is the labor side of the American pocket cutlery interests and the side of the workmen in that industry to which I desire to call your attention. It is a small industry employing a little over 2,000 people, and important only as it is one of the numerous small industries of the country that in their growth form a very large proportion of the volume of business of the country, especially in the industries of the country. Prior to the act of 1890 the duty of 50 per cent ad valorem on pocket cutlery was not sufficient to meet the condition of wages in this country and abroad. Even in the Morrill bill the interests of the industry had never been looked into or presented by those who were interested in the business, or a duty higher than 50 per cent would have been placed, in my opinion. However, the gold premium that existed until the resumption act covered the difference to a great extent and the want of protection was not felt until after 1879, and gradually from 1882 down to 1887 and 1888 the business languished, and this decreased the wages of its workmen, decreased to such a degree it was impossible to keep skilled workmen to any extent in that line, because other branches wherein the labor percentage was not so great called them away from this

branch. The matter was fully presented in the preparation of the bill of 1890, and still, in my opinion, it does not cover the difference in labor in this country and abroad, as I believe no duty ever has done on any tariff bill of the country.

But I am not here to ask a higher duty. I am here to call the attention of the committee to this fact, that the increase of duty from 50 per cent ad valorem to a compound duty equivalent to 90 per cent in ad valorem has increased this business, doubled it since 1889. It has about doubled the number of people employed, and advanced the wages of the operatives employed to the extent that places them among the skilled workmen of the country, with returns equally as good as nearly any branch of skilled labor in this country. In regard to the advance in labor, I will cite my own works. On the 1st of January, 1890, I called to me my people one by one—no committees about it—and voluntarily advanced the wages under the opportunity of this advance of duty from 5 per cent to 33⅓ per cent, equalizing the benefit as much as possible where the men needed it throughout the mill. Among the twenty-seven or twenty-eight pocketknife manufacturers in this country a great majority are located in small towns, small villages, and most of them are the main support of the villages wherein located. If I may give a brief description of the concern with which I am connected it will answer for nearly all. I will go with you to Orange County, N. Y., to a valley of about 40 miles square, just below the southern range of the Catskill Mountains, and where the Wallkill River plunges its waters down, there is located a manufacturing village of a little less than 3,000 individuals, employing about 775 mechanics, 660 of which work in the two pocket-cutlery manufactories of the place. In that section of the country of which I have spoken, of 40 miles square, besides this manufacturing point, is devoted to the dairy business, a great deal of which is disposed to the Walden Condensed Milk Company. The boys and girls of the farmers work on the farm and produce milk. They produce great quantities of milk, and the dairies have three or four times as many cows as they can feed, and an immense volume comes to them from the West of feed of all kinds. The sons and daughters of these farmers not needed on the farm come into our workshops and begin work in the wrapping department, where 100 or 150 are needed. Now, our condition, just at this time, is peculiar in this respect; we do not know what to do. I entered right on that same spot forty years ago in the employ of this New York Knife Company as an apprentice, at the age of 10 years, and for forty years, with the exception of three years in the Union army and one in the New York legislature, I followed this same line from an apprentice to a skilled mechanic, assistant superintendent, manager, treasurer, and president, and it is my lot to be president of the just one national bank in our section and an officer of the savings bank. When the depression came in May first over the country I looked upon it as a bankers' panic, and feeling that it was simply financial the mills of that town were kept running full-handed, full time, paying full wages up to now. In all that three months of products one week's products of the mills would have filled all the sales we have made. The bankers' panic has passed almost, money is easier, and we see light coming. I wondered lately why business did not improve with us. I have frequently made inquiry of large jobbing points—St. Louis, Chicago, Baltimore, Philadelphia, etc., and I received the reply. Independent of political affiliations or any partisanship whatever, it comes to me—we can not place our orders as usual. Now, it is customary for us to receive during the

months of June, July, and August orders to be delivered during January, February, and March of the next year. They have not come in, they are not coming, and they will not come until this tariff question is settled. Of course, people expect everything. No one knows what change is to be made, and, of course, it is wise to reduce stock on jobbers' shelves, and especially when the promise is that they think goods are to be lower and markets to be broken. Of course, it is wise to wait until they are broken and buy goods as low as possible. Now, in our mills there is three months' product, one-quarter of an entire year's products stored; it has been at high wages at full time, and running full-handed. I should, in common with everybody else, like to see this tariff question shelved, but it is not respectful to this committee on Ways and Means to suggest that, in my opinion. I therefore hope you will progress with the question to the extent of your physical endurance and let us know as soon as possible what changes, if any, are to be. Naturally I protest against any change in duties, the present compound duty on American pocket cutlery. I believe these duties have worked to the benefit of every employé in the business, and I frankly confess that this condition has worked to the benefit of those whose means are invested in these manufactures. In my mill, in 1892, I am glad to say that we fully averaged 10 per cent in the last two or three years, unless we throw in this year. I do not know how it will turn out yet, as it may reduce us, but the business has been an entirely satisfactory one. I state right here, as one experienced in manufacturing, knowing well how valueless the manufacturing plant becomes when not ably managed, I have seen so many manufactories calling for an investment of hundreds of thousands of dollars go down to ruin simply because of a want of practical experience on the part of new hands which undertake to manage them, and that is the one thing that gives me the shivers in thinking that when the Lord calls me I leave to my wife and family that which, through a change in the tariff, or want of proper management, may become to them the value of old junk. This mill machinery is prepared for that special business, and that article has little or no value to a manufacturer of another article. Now, we are not going to be ruined whatever you do in our community. We may cease to manufacture pocketknives, but we shall manufacture something else, or do something else just as long as the water falls down 40-odd feet and gives us power to turn our wheels. What we shall make I do not know, or, pending a lodgment in the street, may go to the field. That is why I ask your attention to the labor question, and as the manufacturer, as a "robber baron," and to some extent fairly well to do in this world's goods, I really ask no consideration for myself. I have my views upon this case and recognize fairly that other gentlemen have a right to their views. I will take my medicine, whatever it may be, with the rest of the boys, but for the 400 operatives that every week I personally pay off in my mill, every one of whom I know personally, a great bulk of whom were born there, and as American boys have grown up to be American workmen, I want you to carefully consider their interests, no matter how little this industry may be.

We have made a statement that the proportion of labor in this industry is 80 per cent; it is more than 80 per cent to-day, because wages are higher than they were when the statistics were prepared from which the 80 per cent was arrived at. I will just present two items and will then answer any questions in regard to prices either by wholesale, retail, or cost of manufacture, and leave with your committee just a simple statement taken from our cost books of the cost of pocket-

knives. I do that for no other reason than because I want to call a little attention from the raw-material side of this business. Here is a jackknife [exhibiting same], used by boys of good size, sometimes by men, and fairly represents all the jackknives of American make going to the farmers and workingmen of this country. It costs $1.82½ a dozen.

Mr. GEAR. That is your cost?

Mr. BRADLEY. At the mill. Of that $1.82 $1.22¾ is labor. The steel in that dozen of knives costs 10¼, that is, the steel in the blades. The steel in the back springs cost 4½ cents; that is 14¾ cents for steel. We import steel for the blades and also use steel made in our American mills at 14½ cents a pound. The steel made in the American mills is just as good as Sheffield steel. Park Brothers and Smith Brothers make as good steel as the Sheffield steel, but to some extent we use the Sheffield steel on account of a conviction on the part of some of the American dealers that Sheffield steel is better than the American. But as a practical workman, understanding forging and tempering of steel, I say the American steel is equally as good, and it is a quality of steel that has grown up in the last two or three years, too. Now, the steel of the back springs cost about 5½ cents a pound delivered at Walden, and you take the whole total of steel, if you put steel on the free list you will only benefit us about 2½ cents, just about 2½ cents on the dozen knives.

Mr. PAYNE. How much would free iron ore benefit it?

Mr. BRADLEY. Of course that enters into the question of steel.

Mr. PAYNE. Have you calculated that amount?

Mr. BRADLEY. No. This American made iron costs about 4½ cents a pound. Then there is the wire; but if you were to put every product that enters into that knife on the free list you would only benefit us about 3 cents a dozen.

Mr. GEAR. How much would it amount to the consumer?

Mr. BRADLEY. It would not amount to anything. You know that pocketknives start in at 10, 20 cents, 25 cents, 35 cents, 50 cents, 75 cents, and $1; there is no such thing as splitting a nickel.

Mr. GEAR. Practically the consumer gets no benefit?

Mr. BRADLEY. The benefit would go to the middleman, just exactly as the benefit of this increased duty came to the manufacturer by letting the middleman "divvy" up in the matter of profits.

Mr. PAYNE. The consumer had to pay no more since the McKinley bill on pocketknives.

Mr. BRADLEY. To the best of my opinion the consumer has paid no more for the American or foreign pocketknife, except in one instance, and for that I am truly sorry. The American boy has been in the habit of buying a pocketknife which was 18 cents net foreign value. It is the only knife that has not gone down in foreign value. The duty, of course, was 50 per cent, and it could be landed here for 27 cents, and it was sold to the jobber perhaps at 35 cents, and by them sold to the retailers at perhaps 40 cents, and by the retailers to the American boy at 5 cents a piece. Now it has to come here at about 39 cents landed, and from 39 to 60 cents is not margin of profit in this country in handling a pocketknife like that, and therefore it has affected it. I am sorry for it, sorry for the American boy, who can not be humbugged and fooled. As Barnum, says we like to be humbugged, and to enable that boy to buy that knife for 5 cents I am willing to see it go on the free list. It has no value at all, except on the outside—it is only the appearance of a knife. The price to consumers is practically the same, and I was informed by an importer yesterday he could import

from Germany a duplicate of anything at the price ruling before the McKinley bill. Now, it can not be done of Sheffield, they are higher 10 per cent value than before the McKinley bill, and not on so low a foreign value as before. I mention this little illustration of fact that the foreigner pays the tax so far as the German goods are concerned, and as far as the Sheffield goods are concerned we probably divide with them. This knife [exhibiting same] shows a higher class of work, and as it is Columbus year I would like for you to examine it carefully. This knife cost $3.92 a dozen; the material is 42 cents, and the labor is $3.50 1-10, showing about 89 per cent labor. Now, not to take up your time, I will bring it down to this. In all the time I have employed men I have never had a strike or a labor difficulty. If anything is to be said on that question the boys are invited to come to me one by one, each man, and he states his views, they think it over, and we settle it.

Mr. PAYNE. Your laborers generally own their homes?

Mr. BRADLEY. Yes, sir; they built sixty homes within the last three years in our village; nice little cottages, indeed. We have increased our labor nearly double; we have scoured that whole valley, charcoal pits, mountains, and every other place, to get American boys to go to work there. We have about doubled our products and number of workmen, and we pay, as I say, for skilled workmen as high as from $2.25 to $4 a day; that is, they earn it by the piece; 90 per cent of our pay roll is piece work. The men take them out by the gross, whether ten gross or a dozen, and they use their own tools, and have their place in the mill, and they earn these wages entirely by energy, skill, and industry.

Mr. PAYNE. Is there any export of American pocket cutlery?

Mr. BRADLEY. No, I think not; no, sir. I will say if the change of duty is conservative and moderate, there will be very little change, if any, in the condition of our business and workmen; if the change is radical, it is purely a question of labor. My boys understand, it and they will come in and smoke a cigar, and see the other men, and talk it over, and they understand that the wages are to be less; and there is all there is to the question of protection and question of revenue. You may take all the essays and orations and speeches about the tariff for revenue and protection, and it comes down to just simply one thing: Can you make these goods and compete with the people who make them abroad, and if not, why not. And if you can not, it is no fault of your location or mill, or your facilities mechanically; it is simply one thing, and that is the difference we pay the men in this country compared with what workmen are paid abroad. I have that from practical experience, and not from consular reports; and it is a fact that a radical reduction of duty means a radical reduction of wages.

I want to refer to one point—Mr. Rockwell, have you got Mr. Ellery Anderson's proposed tariff? I am serious about it, and it will take me just about five minutes. I mention this simply because it was mailed to the trade of this country, to the jobbers and dealers and others, and people who are not versed in tariff matters, in looking the bill over, might suppose they are going to buy any article for just exactly the difference we reduce the duty. I have simply to deal with the question of pocketknives. This proposed bill says that the importation of penknives in 1892 was $704,480 in value. That is correct. It also says the duty was ad valorem $90.75; that is correct; and that $639,304 was the duty collected. That is correct. Now, it makes

the duty 25 per cent ad valorem, and says from the importation of last year the revenue derived therefrom would be $176,000 instead of $639,-304, and that is correct. It then goes on and gives the opinion that there will be $2,500,000 of pocketknives of foreign value imported in 1894 should this proposed bill become a law. Now, that is a mistake. We have shown you, and you will prove them from the figures of the Bureau of Statistics of the Government, that the importation, and with the product of our mills combined, placed at the foreign value, is only about $1,740,000, I think. Now, these people—and I speak with respect; I see among them men who stand as distinguished men in matters of economics, and I am merely stating it as a fact and offering no criticisms whatever—but how can they expect the American consumers to use only foreign goods, and then increase their consumption 50 per cent, and close every mill in the United States? It is the fear of such legislation as that that has brought me before the committee; but for that, gentlemen, I would not have taken up your time.

For your courtesy, Mr. Chairman and gentlemen of the committee, I am obliged.

Mr. BRECKINRIDGE. How long has your concern been manufacturing?

Mr. BRADLEY. Since 1852. It began as a coöperative concern, the workmen combining together with a little money, and they gradually worked up the business chiefly by contributions from their wages. In fact, the other mill of our town is the same way.

Mr. BRECKINRIDGE. I observe we export some cutlery to foreign countries; Brazil for instance?

Mr. BRADLEY. Yes.

Mr. BRECKINRIDGE. Venezuela?

Mr. BRADLEY. Yes.

Mr. BRECKINRIDGE. Do you sell any particular class of goods to those countries?

Mr. BRADLEY. We do not in pocketknives. So far as those goods are concerned, there are certain steel table cutlery with iron handles, cheap goods, which go there. There is an excellent quality of steel put in them, and with the low cost of labor we are able to export those to the South American countries.

Mr. PAYNE. This is table cutlery?

Mr. BRADLEY. Yes, sir; but what goes there chiefly is hatchets, axes, cane knives, and the heavy class of cutlery. Of course, in the distinction of our department everything that is an edged tool is classed as cutlery.

Mr. BRECKINRIDGE. Not in exports; they are separated.

Mr. BRADLEY. In the later classifications?

Mr. BRECKINRIDGE. As far back as 1863 and 1870.

Mr. BRADLEY. I think then cutlery was kept separate from edged tools.

Mr. BRECKINRIDGE. You do not export any cutlery, then?

Mr. BRADLEY. Not pocketknives.

Mr. BRECKINRIDGE. I see we export a little all over the world.

Mr. BRADLEY. We have sold a little to Canada, but it has been more curiosity, I think, than anything else.

Mr. BRECKINRIDGE. This table cutlery of which you speak is steel-bladed metal handles. That is rather a modern contrivance, is it not?

Mr. BRADLEY. It has been largely manufactured, sir, within the last four years.

KNIVES.

(Paragraph 165.)

STATEMENT OF GEORGE C. HATCH, OF BRIDGEPORT, CONN., AS TO THE COST OF POCKETKNIVES.

In Germany the cost for making 2 dozen knives, which is an average day's work, is 70 cents, and the men working make from $4 to $5 a week, averaging fourteen hours a day. The same work here costs us $2.20, and the men make from $12 to $18 per week, averaging ten hours a day. This is the relative cost of what is called the cutler's work.

For the grinding and finishing the best men in Germany make from $8 to $10 a week, working an average of sixty-three hours per week. Our men here on the same work average from $14 to $23 a week, working fifty-eight hours. I have said nothing here in reference to material, as that, relatively speaking, costs about the same. As near as I can make out the relative cost of grinding and finishing is, Germany, 24 cents; here, 56 cents.

I have figured the total cost of labor in Germany and here, and as near as I can figure it it stands, Germany 58 cents as against $1.66 here on a single dozen knives. This is paying no attention to material or cost of manufacture or anything. It is merely just the exact figures to-day for labor, and if anything the cost here is more than what I have made it. I have taken merely one knife and figured through on that knife, taking what our labor cost is and the labor cost of the same knife in Germany. Of course, different patterns would vary this more or less.

I find it to be a positive fact that knives that we sell at $3.40, our lowest figure, a knife the same size and in every way supposed to be the same, is bought in Germany at $1.30 per dozen. I would also mention that as a matter of protection to labor what are commonly called jackknives should receive more of a protection in the way of a duty than the finer quality of knives called penknives. The reason of this is that a 4-bladed knife with pearl handle coming in under the same percentage of duty as a jackknife would have the benefit of the difference in cost between the wood covering of the jackknife and the price of pearl, as the labor is all in the other part of the knife, and to cover the same percentage of labor on a jackknife would require more of a duty than on the higher-priced knife using shell, ivory, pearl, and stag.

I might add that pocketknives are an article easily transported, and the stock in 1 dozen two-bladed knives does not at the most amount to over 35 or 40 cents; all the rest of the cost is labor. I have ascertained the number of times that the parts of a two-bladed knife and the knife itself are handled is over 2,000, and that the blades in one dozen knives are handled over 700 times.

The character of the work is such that it is not possible to utilize machinery. We here are far in advance of any other factory, so far as I know, in the manufacture of pocketknives, and the character of the work on a great many of the parts is such that it can not be done by machinery. I might say that so far as the cost of material goes, in comparison with Germany, I think that in some respects we get ours cheaper. The only matter in question between us and them as to the cost of production is labor. If we could get our labor as cheap as it is there we would make our knives just as cheap in every respect.

RAZORS AND RAZOR BLADES.

(Paragraph 165.)

STATEMENT OF J. R. TORREY, TREASURER OF THE J. R. TORREY RAZOR COMPANY.

We ask that the existing tariff law, so far as it relates to razors, be allowed to remain as it now is, viz, razors and razor blades, finished or unfinished, valued at less than $4 per dozen, $1 per dozen; valued at $4 or more per dozen, $1.75 per dozen. And in addition thereto, on all the above razors and razor blades, 30 per cent ad valorem.

We ask to have this protection continued because of the great difference in wages paid to razor-makers in this and foreign countries. An average difference of more than three to one, when the furnishing of tools, shoproom, etc., is considered.

We ask for the greatest duty on the lowest grade of razors, because a low grade of work always calls for a low-priced workman, and against the competition of this low-priced foreign workmen we require the most protection.

Much has been said by the importers about foreign razors costing $1 per dozen in England, and even less. They claim that all such razors are prohibited by the present tariff. We maintain that it is for the best interest of this country that they should be prohibited: they are trashy imitations of razors, absolutely worthless for use, and never bear the name of a responsible manufacturer. We can show from foreign manufacturers' price lists, and from our own 12 years' experience in competition in this market with foreign razors, that the lowest priced razor sent to this country by a responsible maker such as, Butcher, Wostenholm, or Rodgers, costs in England 6 shillings, or $1.50 per dozen. This is the lowest priced razor that were cognize as suitable for shaving. All below that price are worthless imitations of razors unfit for use.

To-day the above English razor, duty paid, costs the importer in New York (who often proves to be the manufacturer himself) less than 25 cents each, and sells to the consumer at 50 cents each, leaving a profit of 100 per cent to be divided between the importer and dealer, which would seem to be an ample margin.

In 1880, when we commenced business, a full concaved razor, ground on a 2-inch stone, was selling to the retail dealers at $18 per dozen, and even more. To-day, notwithstanding the increase in tariff duty, that same quality of razor is selling to same trade at $12 per dozen.

This reduction in price we claim is a direct result of home competition, brought into existence by the protective tariff. And we submit that with the present facilities for production in this country, and the strong competition which necessarily follows, the present rate of duty does not and can not increase the price of even cheap razors to the consumer, but it does guarantee to the poor man a good razor for 50 cents that he can shave with without torture.

Regarding the second clause of the present tariff law, razors at $4 or more per dozen, $1.75 specific and 30 per cent ad valorem, we have to say: Our competition on this class of goods (full concave) is from Germany, where the workmen labor eleven hours per day, and at less than one-third what we pay for same grade of work. A competent razor-grinder in Germany gets from $5 to $10 per week, and, as in England, the workmen as a rule are obliged to furnish their own power, grindstones, and all other tools, which virtually reduces his wages full

30 per cent more. In this country men labor but ten hours, and all necessary tools and power are provided by the manufacturer.

In closing I desire to add, the J. R. Torrey Razor Company, of Worcester, Mass., incorporated in 1880, are the oldest existing razor manufacturers in the United States. We have invested in our plant more than $100,000 and employ about 100 workmen.

There are in this country four other manufacturers, whose combined product about equals ours. We estimate from best obtainable statistics that fully 33 per cent of the razors consumed in this country to-day are of home manufacture. And we know if undisturbed by tariff changes the razor manufacturers in this country will soon supply the whole market, and, while keeping up wages, continually reduce the price, as we have done in the past.

For thirteen years we have struggled against the greatest obstacle of competition from low-priced foreign goods, and thus far have been unable to sell our razors at a living profit to the largest dealers; but at great expense we have sent out our representatives to the smaller trade to which we have sold in small lots, and gained a reputation for good work and established the fact, beyond question, as good razors can be made in this country as anywhere in the world.

As about 85 per cent of the value of a razor consists in the wages paid to labor, it is obvious that any material change in the tariff at this time must seriously affect the workmen, as we know the cost of razors can be reduced in no other item than labor.

We feel confident that when you consider this matter you will readily see the justice of the case and grant our request that the law of 1890 remain as it is, and thereby enable the people of this country to supply themselves with razors of their own production.

FILES.

(Paragraph 168.)

KEARNEY & FOOT COMPANY,
New York, September 11, 1893.

SIR: Regarding files of American manufacture, they should be properly put in three classes—namely, files for mechanical uses, files for jewelers' and silversmiths' uses, and rasps for blacksmiths' or farriers' uses. Considering the first and last classification; the concern of which I am president is largely interested, being one of the principal producers and employing 370 hands at the present time in their manufacture. I stand on record concerning this industry which my company represents as having asked for a moderate reduction when Mr. Mills, of Texas, was framing his tariff bill. Since that time for one or two special reasons I have thought best to revise my opinion as to whether it would be advisable or not to make a reduction in the duty on these goods. My principal reason is that while these goods made by special machinery, invented and patented by home talent, enabled the manufacturer to successfully compete against the cheap labor of foreign markets, since that time, through expiration of patents and the sale of rights to foreign companies, there has been quite a large introduction of these machines *into England*, Switzerland, and Germany, and in fact all points where *files are manufactured*, and to the writer's certain knowledge, within

six months, no less than three or four large manufacturers from England and Switzerland have been in this market for the latest inventions for manufacturing files cheaply. With these inventions and the low price of labor, too, they would to a great extent demoralize the business of this country if now permitted to come into the market with any great reduction from the present duties. For this reason I would respectfully submit that to make the reduction on files 10 inches and upward of over 20 per cent below the present duty would be a direct injury to an established industry whose production amounts to several millions a year. While on the subject of the industry covering files for mechanical uses, I would also say that horse rasps are also manufactured under the same head and by the same companies, although practically a special branch of the business. The duty on these should be governed by the duty on above-mentioned goods.

Files for jewelers' uses.—Under this heading I can write with special fairness, as the company of which I am president does not manufacture this class, nor are they manufactured by any company in competition with our line of manufacture, except the Nicholson File Company, of Providence, R. I. Up to within the last ten years, files for jewelers' and silversmiths' purposes and die sinkers' tools were all imported, there being no established industry in this country, but the Nicholson File Company have undertaken the manufacture of these goods and with marked success. There have also sprung up in other sections of the country, principally in Philadelphia and Brooklyn, smaller manufacturers, who are to-day producing this class of goods and making an article which competes in every way with the better brands of imported files. As these smaller concerns develop the business, where formerly making files by hand, through the inventive genius peculiar to Americans, there have been machines invented which cheapen the cost of these files and are building up a valuable industry in the country. To in any way reduce the duty covering these small files, which cover all sizes 10 inches and under, would be a direct blow to an industry to a certain extent in the formulative state, and which for several years must be fostered and protected. It would mean the ruin to the business and the loss of capital at present invested. I would, therefore, recommend that no change in the duty on files 10 inches and under should be made, but if it is necessary to make some reduction, that this should not exceed over 10 per cent less than the present duty imposed.

GENERAL INFORMATION OF VALUE TO THE COMMITTEE IN FORMING AN OPINION.

Taking the opposite view of this question, as to what the committee owes to the dealer and consumer, to insure a saving to the consumer, I desire to say that in 1871 I represented a concern in this country, having full charge of the business, who were large importers of files for mechanical uses, and it is a matter of book record that at that time a 12-inch file cost the dealer, and only the buyer of large quantities, the net price of $5.40 per dozen. Up to that time the foreign files controlled the market. To-day, through American ingenuity and inventiveness and home competition, the consumer can now purchase the same file at from $2 to $2.50 per dozen, net, and were it not that the foreign manufacturer has the advantage of using several American patents which succeeded in giving these results, in relying on the *foreign market for files*, this country would still be paying fully 100 per

cent over the market price. These are facts that I am stating, and as facts go to prove that a moderate protection to an American industry in its infancy has resulted in a large benefit to the consumer, and also that though this may not apply now to large files for mechanical uses, 10 inches and upward, as a reason for their protection, it certainly does apply to small files, 10 inches and under, which I have cited as now being manufactured in this country but in the manufacture of which my company is not interested.

Wages.—To offset the difference in wages paid to mechanics and laborers in the production of files in this country and in the production of files in foreign countries, I would say that, taking the average wages paid in our works, employing from 370 to 400 hands during the past year, including boys of 16 years to mechanics at $3.50 a day, the wages average about $1.67 a day for every person on our pay roll. It is only necessary for me to call your attention to the fact that in England for the principal part of the work on large files 75 cents a day would be a fair average per capita for labor, while in Germany, where both large and small files are manufactured, from 40 to 50 cents a day would be high wages. Consequently, a moderate reduction would react in a very large reduction in price of labor and a consequent upsetting of values.

Raw material.—To the file manufacturer raw material is represented in bar steel rolled to exact sizes for use in the manufacture of files of all shapes. When such steel as is used in this manufacture was imported from England (very little file steel being made in this country) the price varied from 10 to 14 cents a pound. To-day, through home competition, the price varies from 4 to 6 cents per pound, and such is the fact that if by an act of Congress should an export business be established in files, by which the steel could be imported into this country and on custom-house oath reëxported in files, thereby obtaining for the manufacturer of files a practical remittance of all duties, no manufacturer of files could afford to use this steel in comparison with home prices even with this rebate allowed. Consequently there will be no possibility of reducing the cost of producing files by a corresponding reduction in the cost of raw material in the shape of bar steel through the removal of duties on same.

In conclusion, I would respectfully submit to your body that any radical change in duties on files would be a direct injury to the capital invested and to the labor employed in manufacture of files. But if a reduction is made, it should not exceed 20 per cent below the present duties on 10 inches and upward, nor 10 per cent below the duties on 10 inches and under.

Yours, respectfully,

JAMES D. FOOT.

SHOTGUNS.

(Paragraph 170.)

ITHACA GUN COMPANY,
Ithaca, N. Y., September 14, 1893.

SIR: We desire to call your attention to a comparatively new industry in this country, that of the manufacture of sporting shotguns.

This industry is peculiar in that so large a part of the cost of the article is represented by labor, about 60 per cent being for labor per-

formed in the factory and about 25 per cent for labor upon material and supplies made in our own country and used in the industry. (Gun barrels in the rough, not being made in this country, are imported duty free.)

A number of large factories are already running in this country, two more just starting, all of whom are obliged to employ the best of skilled labor at great expense. These industries would be destroyed if the tariff was reduced, and we pray, therefore, that it may be left as it is, since it is now much less than the difference in the price of labor here and other countries from which sporting guns are imported.

Yours, truly,

ITHACA GUN COMPANY.

NORWICH, CONN., *September 16, 1893.*

DEAR SIR: The undersigned companies, being largely interested in the manufacture of revolvers, shotguns, and rifles, having invested capital here amounting to about $200,000, and employing some 450 men, with a pay roll of about $20,000 per month, would respectfully petition your committee that in such revision of the present tariff as you may deem proper you will give due regard to the facts which we beg leave to present.

By importing guns "in parts" the specific duty has been avoided, thereby reducing to that extent the protection which was intended under the present law, leaving only the ad valorem duty of 45 per cent. This is certainly a moderate tariff on goods the cost of which is fully 75 per cent in labor and not over 25 per cent in material.

We would urge upon you the importance to this industry of maintaining at least the present duty. We feel constrained to urge this quite as much in the interest of labor as in that of capital. The companies here will endeavor to adjust their business to any rate of duty which may be decided upon, but should there be any reduction from the above rate it will of necessity result in a corresponding reduction of wages. It would also without doubt materially interfere with the manufacture of our class of goods in this country, as it would admit firearms of foreign make which would take the place of those made here.

Respectfully,

THE HOPKINS & ALLEN MFG. CO.,
By CHAS. W. HOPKINS, *Treasurer.*
THE W. H. DAVENPORT FIREARMS CO.,
By FRANK ULMER, *President.*
THE CRESCENT FIREARMS CO.,
By H. H. GALLUP, *President.*

HORSENAILS.

(Paragraph 174.)

AUSABLE HORSENAIL COMPANY,
New York, September 22, 1893.

SIR: The making of horsenails by machinery is absolutely an American industry. I do not think that any machines for this purpose were ever invented by anyone except American citizens. The process is

now so perfect that nails ready for driving are produced of a superior quality than could be made and pointed by hand and at a very much lower price. The horsenail machines now in operation in Germany and other Euoropean states were mostly built in this country, and are now operated by the cheap labor of those countries. Before the introduction of American machinery, horsenails were forged by hand and the pointing was done by the consumer in his own shop. Such nails cost the users 50 to 60 cents per pound. After the introduction of nails made by machinery on American machines, the price to the consumer was 12 to 18 cents per pound.

The total annual production of horse nails in this country is from 6,000 to 7,000 tons, the cost of which, at factory, is about $2,000,000 to $2,500,000 per year. Fully 50 to 60 per cent of this cost represents labor. Of course if the duty were removed the manufacturers in our country would be compelled to reduce the wages of their operators to a point where it would equal the cheap labor of Europe. This, of course, would bring hardships to many a home. The treasurer of an Eastern company, which company has a factory in London, says that girls getting 80 cents a day here are hired in London at 20 cents per day, and for exactly the same kind and amount of work.

We think that the horsenail industry can stand a reduction in the duty of 1 to 1½ cents per pound, making the duty 2½ or 3 cents per pounds. There are no combinations or trusts in our industry, so that the market is open and free to domestic competition, which is active and strong.

Trusting that your committee will give this matter their careful consideration, and awaiting your acknowledgment of this letter by return mail, if possible, we remain, truly, yours,

AUSABLE HORSENAIL COMPANY,
By A. BUSSING, *President.*

WOOD SCREWS.

(Paragraph 184.)

NEW YORK, *September 19, 1893.*

SIRS: Representing a very large majority of the wood-screw manufacturing industry in the United States, I desire to lay before you certain facts relating to the import tariff duties upon wood screws and their consequent effects upon the wood-screw industry of this country.

There are fifteen organized and well-recognized manufacturers of wood screws in the United States, located in the States of Massachusetts, Rhode Island, Connecticut, Pennsylvania, Ohio, and Illinois, using an invested capital of more than $6,000,000, employing more than 4,000 persons, and producing and marketing all the wood screws this country now consumes; and at prices in the market, averaging for the past fifteen years less than 40 per cent of the average prices prevailing at any previous like period.

It is a well-recognized fact with all wood-screw manufacturers that to provide for the daily product of each 1,000 gross of screws of average sizes, capital invested in permanent plant, machinery, tools, fixtures, and working, means to the extent of $100,000 must be provided, and that the most successful manufacturers are unable to manufacture and market at average market prices, a quantity of wood screws

equal in value to the capital invested in less than two years of time; that is, it requires the market product of two years' time in which to turn the capital once over.

Iron and steel wire drawn to required sizes is the raw material of the screw manufacturers. The average cost of this wire in this country to the screw manufacturers is about 3⅛ cents per pound; in England, 1⅜ cents per pound; in Germany, 1¼ cents per pound; in France, 1½ cents per pound; in Belgium, 1¼ cents per pound. Other incidental supplies, as oil, fuel, soda, gas, etc., bear about relative proportions.

Investigations recently made in the various foreign countries regarding comparative wages paid upon similar processes in manufacture of screws show that where the manufacturers in this country pay $1 in England is paid 52 cents, in Germany is paid 46 cents, in France is paid 47 cents, and in Belgium is paid 43 cents. In Norway and Italy wages are still lower. My own company, being interested in works near Hamburg, has been able to verify this comparison.

Many foreign makers use the same pattern machinery as is used in this country, and the speed of the machine is governed by the power applied, and controls the rapidity of the product. In this country we are certainly not ahead of our foreign friends in the production or application of power for rapidity of production; consequently, one day's wages of foreign labor will produce as many screws as the same time of American labor.

The report of the chief of the Bureau of Statistics for the year ending June 30, 1892, does not show the importation of any wood screws in 1892. The probable cause of there having been no importation is in the fact that the manufacturers of England, France, Germany, Belgium, and Italy have been joined in an international association, and have held market prices much higher than formerly. This, however, can not long continue, as, through differences between the various makers, there has, within the last few months, been large reductions made in their prices. A further reason may be found in the moderately low rates prevailing in this country.

There are more than 600 sizes, lengths, and kinds of wood screws in the regular assortment, ranging from one-quarter inch, No. 0, to six inches, No. 30, each size and length of different list price, and each kind subject to different discounts from list prices. The detailed knowledge and labor necessary to justly fix an ad valorem duty on each invoice of screws, the prices current frequently changing, would be so great that a wide door would be open to errors and undervaluations. Under the present classification, with specific duties, it is only necessary to determine within which of the four classes the importation may come, by length, and the weight included in each class of lengths, to correctly fix the duties thereon. A further danger to the revenue would be found in foreign makers shipping to agents in this country if the rates were ad valorem instead of specific.

Referring again to the report of the chief of the Bureau of Statistics in regard to imported merchandise, the report for the year ending June 30, 1890, p. 65, shows importations carrying an average ad valorem rate of duty of 26.55 per cent on the total valuation. This was under the law of 1883, while in the report for the year ending June 30, 1891, p. 85, are shown importations for 1891 under the same law of 1883, carrying an average ad valorem of 47 per cent. The report for the year ending June 30, 1891, p. 85, shows, also, importations for the year 1891, under rates fixed by the law of October 6, 1890, carrying an

average ad valorem rate of duty of 24.2 per cent. These results, while undoubtedly exact for the specific quantities of each size and price which were included in the importations stated, might be somewhat varied either way by a different assortment of sizes and prices. As a matter of fact, the statistical statements do not show a fair average per centum of tariff rates upon average practical invoices of screws, but a rate per centum considerably less than the law really provides. The imports in question undoubtedly consisted of the lesser weights per gross in each of the tariff clauses. The money value of screws per pound increases in an inverse ratio to their size. Thus, in the importations of 1891, in the 12-cent clause, 77.76 pounds were valued $30, while in the 6-cent clause 2,935.58 pounds were valued $303—the one being of value 38.58 cents per pound and the other only 10.32 cents per pound.

A practical illustration of the average per centum of duties on wood screws is found, as follows:

From the 250 sizes take 24 sizes from the 14-cent clause, 42 sizes from the 10-cent clause, 56 sizes from the 7-cent clause, 78 sizes from the 5-cent clause; total, 200.

Upon the average of these sizes the duties show protection of 77¼ per cent on foreign export price which, added to the export price, gives 14.1 per cent over American cost of production.

Consider, if you please, gentlemen, that our raw materials—wire and general mill supplies—very largely the product of American labor, are the finished product of other manufacturers and producers, and their cost to us is quite double that paid for similar materials abroad; that the necessary waste in material in converting wire into finished screws is not less than 37 per cent of the original quantity by weight, and by reason of the excess cost of the wire this waste is double in cost as against foreign makers, and that the wages paid by foreign makers to workmen engaged upon the same class of work, as shown by the above comparative table, averages only 47 per cent of the price paid in this country.

I have asked your attention to the necessity for specific duties on wood screws as against ad valorem duty, by reason of the immense variety of sizes, kinds, and prices, and the varying trade discounts on the different kinds; and we are willing to admit that, with low prices ruling in the American market, the present rates of duty are prohibitory, and not in any sense a "tariff for revenue," but they are better than that; they make possible the direct employment of more than 4,000 American citizens at liberal wages, and contribute to the support, education, and well-being of a much greater number, and indirectly contribute to the greater ability in home revenue—municipal, state, and national—in the various places and States wherein located.

It is not to the pecuniary interest, nor the desire of employers, to reduce the wages of employés where margins of sale are sufficiently above cost of production to admit of continuance of good wages, but there is no margin of safety to the wood-screw manufacturers below the present duties, except it be found in reduced compensation to labor.

We ask that the present classifications and specific rates be continued.

A "tariff for revenue" upon articles manufactured at home in quantities sufficient to fully supply the whole market of this country means to the manufacturer either a division of his business with foreigners, and consequent reduction in his ability to employ labor, or the entire suppression of his industry in favor of the foreigner, and entire lack

of employment to his former employés in an industry which, from long employment therein, has become to them their trade occupation.

In this latter event the American manufacturer has left to him but two alternatives—either abandon his business or transfer it to a foreign country, where, with cheap material and labor, he can take his chances with other foreign makers in supplying alien goods to American consumers.

Our mills are now on short time, with reduced help, or wholly idle. The invested capital for the time is nonproductive, and labor stands idle, asking for work when there is none to be given. We wait the action of Congress upon the tariff question.

Respectfully submitted, in behalf of the wood-screw manufacturers of the United States, by

M. J. WOODRUFF,
President of Russell & Erwin Manufacturing Company, of New Britain, Conn., and 43 to 47 Chambers Street, New York.

ALUMINUM.

(Paragraph 186.)

STATEMENT OF MR. ALFRED E. HUNT, OF THE PITTSBURG REDUCTION COMPANY.

MONDAY, *September 18, 1893.*

MR. CHAIRMAN: I appear before you to present a plea for aluminum. You will recollect that in 1881 there was not a pound made in this country, and all that has been made in these years since has been the result of the work of the infant industry in aluminum manufacture. I have a paper which I will read, which explains the whole matter.

Mr. Hunt read the following paper:

PITTSBURG, PA., *September 18, 1893.*

HON. WM. L. WILSON,
Chairman Committee on Ways and Means, House of Representatives, Washington, D. C.:

DEAR SIR: We would respectfully submit the following facts regarding the manufacture of aluminium and the arguments that we wish your committee would consider regarding the retention of the present tariff upon aluminium.

Aluminium was very properly placed upon the free list in the tariff provisions contained in the act of March 3, 1883, for the reason that it was not manufactured upon a commercial scale in the United States at that time, nor was there any prospect of it being manufactured in this country in the near future. Prior to the commercial production of aluminium in the United States, the metal had only been manufactured abroad by expensive chemical processes.

The Report on Mineral Products of the Department of the Interior, for the years 1880 to 1891,* puts the value of the 3,000 pounds of imported aluminium used in the United States in the year 1886 at $27,000, or a rate of $9 per pound. The same report puts the value of the 150,000 pounds of aluminium of domestic manufacture in the year 1891 at $100,000, or a valuation of only 66⅔ cents per pound.

This reduction in the cost and selling price of aluminium and the enlargement of the use from 3,000 pounds in 1888 to 150,000 pounds in 1891, was due entirely to the inventions of Charles M. Hall and others, and the efforts of those who have developed these processes for the manufacture of aluminium by electricity—methods which are now being universally used throughout the world for the manufacture of every pound of aluminium now put commercially upon the market.

The production of aluminium in the year 1893 will reach 250,000 pounds; the valuation remaining about the same, from 65 to 75 cents per pound.

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*United States Geological Survey Tabulated Report, published under the authority of the Department of the Interior, dated Washington, October 1, 1892.

The quality of the metal produced has been constantly improved and the metal is now being manufactured regularly with over 99 per cent purity. In other words, by the improved methods of manufacture the metal has been, in quality, brought up in a commercial way to the purity of copper, and far superior to that of lead, zinc, and other kindred metals, during the past few years.

The development already made in the manufacture of aluminium in this country has only been rendered possible by the protection given by the 15 cents per pound duty, for the selling price abroad during most of the last two years has been as low as, and for a portion of the time has been actually lower, than the cost of manufacture in America.

Due to this tariff, the manufacturers in this country have developed the business and reduced the selling price of the metal, as shown above.

As a matter of fact, the American manufacturers, enjoying the protection of the tariff, have constantly improved on the methods of manufacture, to the end that the price of aluminium has been regularly lowered. Their improved methods of manufacture have been immediately adopted, without any expense for development, by our foreign competitors, who, by means of their cheaper labor and materials, have been able to undersell the American market.

The policy of the Pittsburg Reduction Company has been to lower the selling price of aluminium as far as possible and thus allow its introduction into new and varied uses. This concern has always sold the aluminium they have manufactured at a very close margin, has invested a large amount of capital and their labor for the past five years, and as yet have paid no dividends, having invested their profits in apparatus for increasing their production.

Briefly stated, the method of manufacture of aluminium by the Hall process, used by the Pittsburg Reduction Company, consists in the reduction of the purified ore, alumina, dissolved in a molten bath of fluoride salts by the means of an electric current. The process can only be carrried on by the investment of a very large sum of money in plant and machinery, and the materials used in its manufacture are themselves largely expensive finished products, some of which there is at present a considerable duty on.

The cost of production of aluminium by this process consists very largely in labor and skill required in the work, and its raw materials are principally themselves manufactured articles. In this, aluminium is in the same category as the highly finished products of iron and steel, and it differs from copper, zinc, nickel, and other similar metals whose cost largely depends upon the rarity and consequent high price of the ores containing the metal. Aluminium is present everywhere; nearly one-twelfth of the earth's crust is composed of it, and every clay bank contains from 15 to 20 per cent of the metal. It took not only years of toil and experimenting to obtain successful results, but as well all the items that are chargeable to labor and skill in manufacture, as at present carried on, constitute at least 60 per cent of the total cost of the production of the metal.

We do not ask for a prohibitive duty against foreign manufacturers, for the tariff of 15 cents per pound is barely sufficient, and in the past has not been sufficient, to balance the difference in cost of manufacture. We simply ask for the present duty to be retained to put us on an even footing with the European manufacturers, whose labor costs are less than one-half of these costs to us, and whose costs for materials are much less owing to the much higher development of chemical manufactures and cheaper cost of labor in Europe than in America, and whose costs for power have been as well much cheaper than ours. Without this tariff foreign competition will be able to ruin our business.

Aluminium is one of the lightest known metals, being but one-fourth as heavy as silver, bulk for bulk. It is of a silver-white color, and is susceptible of being polished and finished in many ways. It has so far been used largely for luxuries, as, for instance, in fancy goods articles and in ornamental work. It will be to the interest of our Government to foster an industry that is likely to produce war materials for our Government later on.

The oxide of aluminium, used as the ore in the manufacture of the metal, is found in the mineral bauxite, in the States of Georgia, Alabama, and Arkansas only, in the United States; and in these States recent discoveries have shown it to be present in large quantities, and the increase in manufacture of aluminium will bring a large and paying industry to these Southern States.

The Pittsburg Reduction Company were obliged to purchase the oxide of aluminium for their first work abroad, there being large deposits of bauxite in Ireland, the south of France, and in Germany; and the chemical manufacturers of this country were obliged to import all their ore for the manufacture of alumina, which, added to their more expensive labor costs, made their selling price such that it was much cheaper for us to purchase alumina abroad. In fact, there was no concern in the United States then able to supply us with the amount of alumina which we required in the years 1888 and 1889 and the early part of 1890; and before the provisions of

the tariff act of October 1, 1890, American aluminium manufacturers were in the anomalous position of having to pay a duty of six-tenths of a cent per pound on the ore which they used, while the metal which they produced was upon the free list. This manifest injustice was removed by the tariff act of October 1, 1890.

The imports of bauxite into the United States in the year 1889 were 28,945,674 pounds; in 1890, 27,503,730 pounds; in 1891, due to the very large replacement of the foreign bauxite by the bauxite from the States of Georgia and Alabama, the importation dropped to 17,936,504 pounds, and in 1892 there was a further decrease to only 12,804,253 pounds.

With the industries of the production of alumina and aluminium protected, this replacement of the foreign bauxites will increase very rapidly, as will also the production of bauxite from these Southern States, due to the enlarged demand for aluminium.

We would also call your attention to the fact that this duty of 15 cents per pound on aluminium is only equivalent to an ad valorem duty of 20 or at most 25 per cent on the selling price of the metal—a rate which we claim, due to the increased price of labor and skill paid by us, is only equivalent to the increased cost to us of manufacture of aluminium over that of our competitors who are manufacturing the metal abroad.

We respectfully ask of your committee that they incorporate in the proposed new legislation regarding the tariff, provisions that the present duty of 15 cents per pound be retained upon ingot aluminum and alloys of which aluminum is the component part of chief value. *And that a duty of 25 cents per pound be substituted for the present ad valorem duty of 45 per cent (see section 215, Schedule C) upon rolled, forged, or drawn bars, rods, plates, sheets, wire, pipe, tubing or castings of aluminum; or of alloys of which aluminum is the component part of chief value.* And that on manufactured articles or wares, not otherwise provided for, composed wholly or in part of aluminum, and whether partly or wholly manufactured, the present duty of 45 per centum ad valorem be retained.

Very respectfully,

THE PITTSBURG REDUCTION COMPANY,
ALFRED E. HUNT, *President.*

Mr. HUNT. There has been a great difference in the price from 1886 up to 1890. In 1888 and 1889 the production was 10,000 pounds. The development has been rapid. In Germany it is used for munitions of war and is being made for that purpose. In many places it is used for soldiers' equipments. The metal is well adapted for that purpose, being quite light. For that reason I wish to call the attention of the committee to the importance of protecting an industry which is likely to furnish war materials to this Government. I will submit specimens of the mineral which we call bauxite. It is found largely in Georgia, Alabama, and Arkansas, which have furnished some 20,000,000 pounds of it. This shows the development of this industry. This is not only used for aluminium but is used in chemicals.

Mr. BRECKINRIDGE. What are your principal materials?

Mr. HUNT. The ore is an aluminium ore. This ore is dissolved in various materials. This sample is the crude product. The carbon used is the carbon anode. It takes five bags to a pound of aluminium.

Mr. BRECKINRIDGE. Is that the only item upon which you pay duty?

Mr. HUNT. The ore is dutiable at 16 and there is a duty upon the carbon anode.

The CHAIRMAN. Do you import your aluminium ore?

Mr. HUNT. We have imported large amounts of aluminium ore, but within the last year or two we can get chemicals to produce it at about the same rate.

Mr. BRECKINRIDGE. You produce it from bauxite?

Mr. HUNT. Yes, sir.

Mr. BRECKINRIDGE. Can you produce it from clay?

Mr. HUNT. It could be produced from clay, but not chemically free.

Mr. BRECKINRIDGE. You do not procure aluminium from clay?

Mr. HUNT. No, sir. That is a fallacious notion. It is popular, but not true.

Mr. BRECKINRIDGE. That was done for a while?

Mr. HUNT. That was tried.

Mr. BRECKINRIDGE. Can you state anything as to the way the tariff operates for your material?

Mr. HUNT. The cost of labor last year was heavy, about 40 per cent. Triolite comes cheaper. It is shipped from Greenland to Europe, and we procure it from England.

Mr. BRECKINRIDGE. Is fluor spar on the free list?

Mr. HUNT. Triolite and fluor spar are on the free list. These articles are labor cost.

Mr. BRECKINRIDGE. Carbon-anode is used in the process?

Mr. HUNT. Yes, sir.

The CHAIRMAN: What are the commercial uses of aluminium?

Mr. HUNT. It is now largely used in replacing high grades of brass for ornamental work. It is used in naval architecture.

The CHAIRMAN. Is it easily oxidized?

Mr. HUNT. Yes, sir; it is oxidized in the same way that silver is.

Mr. TURNER. How does it withstand the action of salt water?

Mr. HUNT. I have at the World's Fair a piece which has been on the side of a wooden vessel along with copper, and we find that copper corrodes more readily than aluminium.

Mr. TURNER. Is it capable of being tempered?

Mr. HUNT. I hope so; but we have not undertaken that.

Mr. TURNER. Its tensile strength is not great?

Mr. HUNT. That is another one of the popular errors regarding the metal. It is soft. Its tensile strength is less than steel, and its weight is only about one-third that of steel, bulk for bulk. Section for section it is weaker than steel.

Mr. TURNER. Is it used much as an alloy?

Mr. HUNT. It is used some as an alloy. Its use is growing.

Mr. TURNER. For what purpose?

Mr. HUNT. Its greatest purpose is in quieting metals and making them solid. It is also used in this new nickeled steel, because it is without porosity.

Mr. BRYAN. Do I understand correctly that one-twelfth of the earth's surface is composed of aluminium?

Mr. HUNT. Yes, sir; one-half of the clays and silicates in the ordinary clay bank is aluminium.

Mr. BRYAN. But there is no chemical way of separating the aluminium from the other matter?

Mr. HUNT. No; in comparison with the much easier way of getting it from the Southern States. You generally select pig iron from which to make iron. So have we. We use bauxite in making aluminium.

Mr. BRYAN. What is the cost of producing aluminium from clay?

Mr. HUNT. The question would be much easier answered by saying, of course, that we produce aluminium iron more easily from bauxite than from clay. Aluminium ore costs us 1½ cents a pound. We calculate to develop this manufacture of bauxite ourselves; and it is for that reason we ask that this duty be taken off, in order to help us to develop this Southern bauxite. We intend to develop it quite largely.

Mr. TURNER. You would like to have the duty put on the bauxite?

Mr. HUNT. No, sir; that is our material.

Mr. TURNER. How much does it cost to make aluminium ore in that way, pound for pound?

Mr. HUNT. It takes two pounds of this aluminium iron to make a pound of aluminium.

Mr. TURNER. That costs 5½ cents?
Mr. HUNT. Yes, sir.
Mr. TURNER. After that, it is just as easy to make aluminium of one kind as the other?
Mr. HUNT. In other words, aluminium iron is aluminium made of clay or bauxite.
Mr. TURNER. So that the cost of making it from clay is simply 4 cents on the pound, or 8 cents on the pound of aluminium?
Mr. HUNT. I would hardly put it that way.
Mr. TURNER. It costs 5 cents when made from bauxite, and 8 cents when made from clay?
Mr. HUNT. Yes, sir.
Mr. TURNER. After it reaches that point, it does not cost anything more to make it into aluminium?
Mr. HUNT. No, sir.
Mr. TURNER. So that making aluminium from clay usually costs only 4 cents more than making it from bauxite?
Mr. HUNT. Yes, sir.
Mr. TURNER. There has been a great reduction in the cost of aluminium?
Mr. HUNT. Yes, sir.
Mr. TURNER. What is it mostly used for?
Mr. HUNT. It is being used largely in obtaining electrical currents.
Mr. BRYAN. How long has your factory been in existence?
Mr. HUNT. Since 1888.
Mr. BRYAN. Have you paid any dividends?
Mr. HUNT. We have made dividends, but we have reinvested them.
Mr. BRYAN. What was the capital?
Mr. HUNT. The capital has been the same all the time.
Mr. BRYAN. You have increased the capital stock?
Mr. HUNT. Yes, sir.
Mr. BRYAN. The reinvestment has gone to increase the capital stock?
Mr. HUNT. Exactly.
Mr. BRYAN. What has the increase in the actual value been above what it was in 1888?
Mr. HUNT. The first plant cost $20,000. We have now nearly $300,000 in the business.
Mr. BRYAN. How much have the profits been?
Mr. HUNT. Twenty thousand dollars.
Mr. BRYAN. On how much capital?
Mr. HUNT. Over $200,000.
Mr. BRYAN. You commenced with $20,000 and kept it up.
Mr. HUNT. We have not made 5 per cent, and that has been made during the last year. The entire amount has been made within the last year, because it took time to develop the process and get into shape, and also to get the costs down by increasing the output.
Mr. BRYAN. The duty you seek of 25 and 20 per cent ad valorem?
Mr. HUNT. Yes, sir.
Mr. BRYAN. That you would consider sufficient?
Mr. HUNT. No, sir. We have lost money by selling at rates which we were compelled to sell at in order to reach the trade. That rate is sufficient to-day. With development we hope to meet the question. We have not many salaries.
Mr. BRYAN. Do you think that there is a prospect of still further decreasing the cost of production?
Mr. HUNT. Undoubtedly, but that decrease will be due to an in-

creased output, which will decrease the general cost. If yo
this tariff for a reasonable time we will soon be in the p
Andrew Carnegie.

Mr. BRYAN. There is some question as to his position.

Mr. HUNT. We will be in his newspaper position.

Mr. BRYAN. You do not mean to say that if this tariff is
you will be as rich as he is?

Mr. HUNT. I do not say that. I mean that we will be
strong position that we will not feel the necessity of a tariff
opment.

Mr. TURNER. I have been asking, because this is a new
and I am interested in its progress. I am glad to know that
ence in the cost when it is made from clay and bauxite is
because where the supply of clay is inexhaustible it seems t
it is promising.

Mr. HUNT. We went down to this Southern district, and
enormous amount of bauxite, millions of tons, which can
economically and satisfactorily.

Mr. TURNER. You sell aluminium at about 60 or 70 cents.

Mr. HUNT. It has been selling at about 70 cents.

Mr. TURNER. You are able to produce the bauxite?

Mr. HUNT. Yes, sir.

Mr. TURNER. Is it found in mountain regions?

Mr. HUNT. It is found in great folds through a district lik
palachian range, and it is about as inexhaustible as is the
iron ore in Michigan and the Lake region. It lies in great fold
geological districts, running 70 or 80 miles wide, in the State
bama and Georgia.

METAL AND GOLD LEAF.

(Paragraphs 190 and 197.)

GENTLEMEN: We hereby present you with detailed descri
comparative cost of the manufacture of gold leaf in the Unit
and Germany.

The process of manufacture in the United States is genera
lows: The manufacturer starts out with absolutely pure gold,
purchased either from the gold-refiner or of the United Sta
office in the form of bars. This gold is then alloyed to the
color commonly called extra deep gold, the alloy consisting of
of copper and 12 grains of silver to 1 ounce of gold. This p
is cast into bars and passed between rolls and lengthened
become as thin as an ordinary silk ribbon. This ribbon is
into pieces 1 inch long, and then the process of beating beg
might say here that each workman receives 50 pennyweigh
ribbon, for which he is responsible until the whole process of
ture is completed. The beater places each piece of this 50 penn
(about 180 pieces) between leaves of manufactured paper, c
called "cutch (3¼ inches square)," and beaten out to the edg
same. These leaves of gold are then placed one upon the othe
into quarters, this forming the first part of the beating.

The second consists of placing these pieces between skins, c
called "shoda" skins (which skins are manufactured from the

an ox and are 4 inches square), beaten out of the edges, and the surplus gold being rubbed off so as to make each piece of the 180 pieces originally cut off weigh 6 grains. This completes the second stage of the process, called "shoda" beating.

The third and last stage consists of beating in molds. These molds are manufactured from the entrails of the ox, and are the same as the shoda in the second stage, except that they are newer, finer, and more delicate. These molds are 5 inches square, and hold 900 skins Each workman is furnished with three of these molds, and is personally responsible for their care. He begins this last process by cleaning and preparing these molds by rubbing each skin with a hare's foot and a preparation of talc, baked and ground to a white powder; after which these molds are put into a heated press and all the excessive vapor or damp drawn from them. This process is very delicate, and requires judgment and adaptation, and if improperly done is apt to spoil all the previous work.

After pressing, each leaf of the shoda is taken separately, cut into quarters, and placed between the skins of each mold. Each mold is then covered by bands of parchment and beaten to the edges. This consists of beating one hour, then placing the mold in a warm press to keep the skins close together, then cooling in a cool press, and so on for four consecutive hours. This completes the heating process.

These three molds are then passed to the girls, who take each leaf out of the mold separately, and cut a square out of the center of $3\frac{3}{8}$ inches, placing the same into a book, holding 25 leaves, and the work is completed. And on completion we find we have about 4 packages of gold leaf, containing in all 2,000 leaves. The gold in each package weighs $4\frac{1}{4}$ pennyweights. Thus we have:

$4\frac{1}{4}$ pennyweights of gold in each package	$4.25
One man's labor on one package of gold leaf	1.55
One cutter, at $2\frac{1}{4}$ cents per book (one package)	.50
Melting, rolling, rent, selling expense	.40
	6.70
Profit on one pack	.30
	7.00

The work of one man produces eight to nine packs of gold leaf per week.

The process of manufacturing in Germany is somewhat different. Gold-beating is worked in blocks or teams, consisting of one or two men to several children, who are put to it at a very early age, and who average from twelve to thirteen hours per day. The cheapness of their labor must be acknowledged when we find it a fact that one pack of German gold leaf can be placed in this country, duty and all expense of transportation paid, at from $6.80 to $7.

Respectfully,

CHARLES BRICE,
262 West Thirty-ninth street, New York City.

SIR: We beg to call your attention to the fact that the two firms who manufacture bronze powder in this country only place on the market a very small proportion of the bronze powders consumed. These firms never would have started to manufacture bronze powders if the

tariff at the time they commenced business (twenty-five years ago) had not been protection enough for them.

The yearly consumption of bronze powders by wall-paper factories alone is about 1,300,000 pounds, and on this is paid a duty of 12 cents per pound, or $156,000. Not one pound of the bronze powders used by the wall-paper factories is of domestic manufacture. There appears to be no just reason why consumers should be compelled to pay an extremely high rate of duty on an article which is manufactured on such a small scale in this country.

Bronze powder is really a raw material; in itself it is not an article which can be consumed, except for finishing and making thousands of articles marketable; it is used in nearly every branch of industry to give articles a good and salable appearance.

We herewith submit a letter of Messrs. William Campbell & Co. (wall-paper manufacturers); this firm alone requires more bronze powders than the entire production of the two domestic manufacturers combined. The large quantity of bronze powders which the wall-paper manufacturers are compelled to use at an advance of 35 per cent over a former tariff (which was 15 per cent—now it is 12 cents per pound or 50 per cent) forces them to advance the prices of their products which are used for decorating the homes of the working classes, and these are the people who must pay the advance.

We respectfully ask for a reduction of the duty on bronze powders; as stated above, the former duty was 15 per cent ad valorem, which made the duty on the cheapest grade 3.6 cents per pound.

Other wall-paper manufacturers will send their protests against this unjustly high tariff direct to you.

Yours, respectfully,

T. RIESSNER, and others.

WILLIAM CAMPBELL & CO.,
New York, September 13, 1893.

SIR: We beg to invite the special attention of the Committee on Ways and Means to the exorbitant tariff which bronze powders and brocades are now subject to under the McKinley bill. There have never been any bronze powders or brocades manufactured in this country, except by a small institution, which simply ground up the refuse of imported goods, and there is no likelihood of there ever being, even should the tariff be advanced another 12 cents per pound, for the reason that we have not the metal nor anything else connected with its manufacture. Germany has been, and will be for years to come, the only place where these articles can be produced, and they are now supplying the whole world with the product.

Fifteen per cent ad valorum (which was the rate of tariff charged prior to the passage of the McKinley bill) in our judgment is ample to provide for our revenue, and we therefore beg your honorable body to place the tariff back to where it was before the passage of that most infamous McKinley bill. The damage already done by the passage of same will take many years to repair, and we trust it may be revised at an early date.

Yours, respectfully,

W. CAMPBELL & CO.

DUTCH METAL.

(Paragraph 190.)

NEW YORK, *September 5, 1893.*

SIR: I beg to draw your attention to an article on which the duty has been raised to a most enormous extent, and this, I believe, more by a mistake than intentionally. I refer to the article leaf metal, or Dutch metal, as it is to be found among the enumerated articles in the tariff.

This "Dutch metal" was never manufactured here, but always imported. The rate of duty varied in the different tariffs. In the tariff bill of 1846 it was 20 per cent ad valorem, then 15 per cent, and for several years before the McKinley bill went into existence it was 10 per cent ad valorem. The last bill made the duty specific. It was proposed to fix it at 10 cents per pack of 1,000 leaves, but was finally passed at 8 cents per pack of 1,000 leaves.

This "Dutch metal" comes in two different forms—either in boxes of 10,000 leaves, and is then called "schlag metal," or in the old form of packs of 2,520 leaves.

Now take, for illustrating the monstrosity of the present tariff, an invoice of, say, 10 boxes schlag metal and 50 packs Dutch metal; under the old tariff the duties would have been as follows:

	Marks.
10 boxes schlag metal, 10,000 leaves, at 36 marks	360.00
50 packs Dutch metal, at 6.50 marks	325.00
Total	685.00
At 23.80 cts	$163.00
Old duty of 10 per cent ad valorem	16.30

Under the present tariff it will be that—

10 boxes Schlag metal, 10,000 leaves, equal to 100,000 leaves, new duty, at 8 cents per 1,000 leaves	$80.00
50 packs Dutch metal, 2,520 leaves, equal to 126,000 leaves, at 8 cents per 1,000 leaves	100.00
Present duty	180.00

Difference between the old and new duty $164, or eleven times as much as formerly.

As I stated before I believe there has been a mistake made. In the explanatory tariff bill of 1890, marked H. R. 9416, you will find on page 44, for paragraph 184, a note below, saying: "This is a change from ad valorem to specific rates and is intended to be an equivalent."

Equivalent, indeed! A rise in duty of 1,100 per cent! I wrote at the time of the passage of the act to our Senator, the Hon. Mr. Evarts. He saw the mistake, but it was too late to do anything.

Evidently Mr. McKinley intended to fix the duty at 8 cents per 10,000 leaves (10,000). Then it would have been about an equivalent with the old rate of duty.

The article is not manufactured here. Under the exorbitant new duties it has been tried, but with very poor success. It is used largely on cheap picture frames, etc., and therefore increases the prices for these articles unnecessarily to the poorer classes.

Yours, respectfully,

L. BICKNER.

GOLD LEAF.

(Paragraph 197.)

FRIDAY, *September 15, 1893.*

To the Committee on Ways and Means, House of Representatives:

GENTLEMEN: We beg your indulgence in the consideration of the present specific duties upon gold, silver, and metal leaf.

It has been our experience for more than forty years that we can not compete against foreign manufacture without the assistance of a tariff.

Through want and privation we were driven to appeal to Congress to relieve the deplorable condition of our trade through foreign competition, and after many earnest appeals, and the most convincing proof and statistics, we succeeded in being partially relieved. The relief was a blessing to thousands in our trade, for which we have been ever grateful.

Previous to last increase of tariff the union rate of wages was $11 per week, and after the increase the union rate was, and is now, $13.50 per week. We received 80 per cent of the increase for our labor.

We would respectfully call your attention to the fact that the enormous amount of one million leaves of gold can be shipped in an ordinary packing case for a nominal sum to any of our ports, which would represent four years and six months' labor of a good, quick, and clever workman.

The gold-beater, although a skilled mechanic, has never been able to live better than the poorest of American workmen, as the industry comes directly in competition with European labor, and the first to suffer the depression of business and the last to receive the benefits of prosperous trade.

In Germany a skilled workman earns 22 marks (or $5.28) per week of seventy-two hours, for which he is tasked to produce 7,000 leaves, which makes the cost of one pack (of 500 leaves, less the amount of gold) less than 49 cents. The cost of one pack of gold leaf in this country (500 leaves, less the amount of gold), is $2.05; allowing only $13.50 for the skilled labor of sixty hours a week and a man and a girl produces less than 4,000 leaves per week.

Home competition has so reduced the prices of gold, silver, and metal leaf that it is now sold upon the market at a lower rate than was ever known in its manufacture, and the laborer receives the entire advantage of the tariff. The present tariff has encouraged home manufacture and several manufactories have been established.

The competition in the manufacturing of metal leaf is equal if not greater. The cost of production abroad is so much less than that of our home manufacture assures us that if any alterations made in the tariff of gold, silver, and metal leaf, there will be a sharp reduction in the wages of labor, and it will also be impossible for us to compete and our industry will become extinct.

German manufacturers offer now gold leaf, delivered in this country, duty, freight, and all expenses paid, at cost of manufacture. The duty is $2 per pack of 500 leaves, which sells at $7, and in which the male employé has $1.55, the female 50 cents, which is union wages, and 40 cents for tools, rent, expenses, etc., making the cost $6.70, as shown below:

Gold	$4.25
Men	1.55
Girls	.50
Expenses, tools, etc	.40
Total	6.70

Now, if the duty was removed the same firms could, of course, offer gold leaf at $4.65 per pack, which would leave nothing for the workman. The Germans alloy their gold more heavily, and the gold in their packages is probably worth about $3.87. Any reduction of a part of this duty would operate on our wages in a proportionate degree. When the duty was $1.50 per pack—which it was several years—the same thing existed, and the extra 50 cents put on was met by the Germans by reducing their wages to that extent. That this statement is positively true is proven by the fact that in England the trade has been almost entirely destroyed, as their markets are open to and fully supplied by Fuerth and Nuremburg. In London, with 4,000,000 people, no factory has over 10 to 12 employés, while in New York, with 2.000,000, there are several with 50 to 75, and many with from 25 to 50. In Philadelphia, with 1,200,000, there is one with over 200 and several with 15 to 50. In Boston, with 400,000, there are several with 25 to 50 employés. Baltimore has several, and Chicago four with 25 to 50. The contrast with London, with her 4,000,000 people, is strongly in favor of this duty being maintained.

Wages are very low compared with other skilled labor. Men getting $2 to $2.50 per day, and females 70 cents to $1, and our work being interfered with by two dull periods in each year, we do not average over three-quarter time in prosperous times. At present we are getting less than half time. As our wages have always been so arranged as to keep the imported article out, there has been very little brought in, and so the question of saving expense to the Government in collecting any duty on this article does not enter into the question. The only effect of a reduction of duty would be to lower the wages of those employed in this business. There is no trust or monopoly possible owing to the great number of small establishments, and competition is free and severe, thus keeping the profit to our employers at a minimum.

Trusting you will see the necessity of the continuance of the present duty, we remain, very respectfully, committee representing

JOURNEYMEN GOLDBEATERS OF THE UNITED STATES.

Mr. BRICE. I have copies of the Royal Commission showing the amount of leaf in the various countries in Germany which I would like to submit. I was in hopes that one of our employers would be present to show you that the majority of the employers are in sympathy with the employés in this country.

Mr. TURNER. This work is all done by hand?

Mr. BRICE. In this country it is all done by hand. There is a second process in the metal leaf which is done by machinery.

TINSEL THREAD.

(Paragraph 196.)

STATEMENT OF MR. J. R. MONTGOMERY, OF WINDSOR LOCKS, CONN.

SATURDAY, *September 16, 1893.*

Mr. CHAIRMAN. I will read from the law of 1890, paragraph 196:

Bullions and metal threads of gold, silver, or other metals, not specially provided for in this act, 30 per centum ad valorem.

I merely wish to call attention to what is bullion and what is metal thread, which I place before you and leave as a part of my argument merely to define the article. In the free list, paragraph 737, is tinsel wire, lame, which is the French name, and lahn, which is the German for the same thing, a sample of which I also leave to show the article.

I represent a corporation whose capital of $350,000 is engaged in the manufacture of cotton warps and yarns, novelty yarns, bullions, and metal threads. It is only the rate of duty on the last two articles above referred to which I desire the attention of the committee for a few moments. The needs of the other branches of my business have been more ably presented to you by others than I could do them myself.

Referring to Schedule C of Tariff Act of 1890, paragraph 196, "Bullions and metal thread of gold, silver, or other metals not specially provided for in this act, 30 per centum ad valorem."

That the committee may more perfectly understand what the articles are referred to by this paragraph, I submit herewith samples of bullion and metal thread. These articles are made with a core or base thread of cotton or silk, and twisted or wound about this core or base thread is a tinsel wire so twisted or wound as to produce striking and novel effects. These yarns or threads are used by the manufacturers of curtains, upholstery goods, dress and bonnet trimmings, theatrical goods, and in other lines to produce the peculiar effect desired.

Prior to 1890 these goods were not manufactured in this country, but

after the passage of the tariff act of that year we commenced the manufacture of them, and although the 30 per cent duty placed upon the foreign goods did not allow us a sufficient measure of protection our proximity to the market enabled us to compete in all except the cheaper and more staple goods.

In the staple goods that can be ordered in large quantities from abroad we can not compete with them, and there is a large amount of those goods imported, but in some fancy articles the close proximity to the markets helps us because they want their goods quickly.

Our request to you, gentlemen, is that you allow the present rate of duty to stand. Paragraph 737 in the free list exempts from duty our raw material, the tinsel wire, lame or lahn of which sample is herewith submitted, used in the manufacture of bullions and metal threads. We desire that no change be made in allowing this article to remain upon the free list. Should any lowering in the protective feature of the existing law towards these goods be permitted we would be compelled to give up this branch of our business at a great loss of capital invested in machinery and a large curtailment in the employment of labor.

Mr. PAYNE. How many firms are engaged in this manufacture?

Mr. MONTGOMERY. At the present time I think there is another besides ourselves.

Mr. PAYNE. There was not prior to 1890?

Mr. MONTGOMERY. No, sir.

Mr. PAYNE. How much capital is invested?

Mr. MONTGOMERY. I can hardly answer that question. As far as we are concerned our business has an investment of $350,000, but it is made up in the manufacture of other things besides this.

Mr. PAYNE. You have to provide special machinery for this?

Mr. MONTGOMERY. Yes, sir; we probably have in the neighborhood of $40,000 or $50,000 in this particular line, but it is used for other purposes also.

Mr. PAYNE. How have prices been since 1890?

Mr. MONTGOMERY. In 1890, when we commenced, it was about $3.50 a kilo, and we are now selling it for $1.25; but the whole of that is not because of the McKinley bill.

Mr. PAYNE. Part is on account of the material?

Mr. MONTGOMERY. Yes; in these rather seasonable goods, when there is a demand and they can not get enough, they are willing to pay any price to get the goods, and in such a season we get a large profit for it, but at times, when the style does not call for a large production of it, a large use of it, the prices are very low.

Mr. PAYNE. Prices generally have been low since 1890?

Mr. MONTGOMERY. Yes, sir.

Mr. BRYAN. Is that a new industry?

Mr. MONTGOMERY. Yes, sir.

Mr. BRYAN. How old is it?

Mr. MONTGOMERY. Since 1890, new in this country.

Mr. BRYAN. Is there any tariff on these goods now?

Mr. MONTGOMERY. There is no tariff upon the metal; these goods are not manufactured in this country, this tinsel wire.

Mr. BRYAN. You imp[illegible] tinsel wire?

Mr. MONTGOMERY. Yes, sir.

Mr. BRYAN. And make it into——

Mr. MONTGOMERY. Into [illegible]—bullion, metal threads.

Mr. BRYAN. There is no duty on the tinsel wire?

Mr. MONTGOMERY. No, sir.
Mr. BRYAN. What duty is on the other?
Mr. MONTGOMERY. Thirty per cent.
Mr. BRYAN. You want that retained?
Mr. MONTGOMERY. I do.
Mr. BRYAN. Did you say the price has gone down in the last two or three years?
Mr. MONTGOMERY. Yes, sir.
Mr. BRYAN. But, as you say, not necessarily on account of the McKinley bill?
Mr. MONTGOMERY. No, sir.
Mr. BRYAN. What was the cause of the decline.
Mr. MONTGOMERY. Because there was less use of it in the last few years, and the style has not required tinsel wires. In fact, in regard to ladies' dress trimmings, hat trimmings, etc., at different times you will see wings and feathers and furs made, and these tinsel effects for the last two years have not been in demand.
Mr. BRYAN. The demand varies according to fashion?
Mr. MONTGOMERY. Entirely so.
Mr. BRYAN. Can you continue to manufacture at these prices?
Mr. MONTGOMERY. Yes, sir.
Mr. BRYAN. Has there been any reduction in the cost of making in the last three years?
Mr. MONTGOMERY. Yes, sir.
Mr. BRYAN. Any material reduction?
Mr. MONTGOMERY. Except in the ingenuity of manufacture.
Mr. BRYAN. What has been the reduction in cost; what proportion?
Mr. MONTGOMERY. When we first commenced we were the only ones manufacturing in this country. We invented all our own machinery, and the cost was certainly 15 to 20 per cent more than it is to-day.
Mr. BRYAN. And the price is now about one-half of what it was?
Mr. MONTGOMERY. Less than one-half. When I stated "in 1890," I stated a year which was particularly high priced for the goods.
Mr. BRYAN. You make a fair profit now?
Mr. MONTGOMERY. Fair; yes, sir.
Mr. BRYAN. You must have had a pretty good profit before?
Mr. MONTGOMERY. Yes, sir; at times there is a good profit. We have to take, in manufacturing these articles, an average—one year with another. Some years we will be out of pocket, as we are this year a good deal.
Mr. PAYNE. That high price was when there was no tariff on it?
Mr. MONTGOMERY. In 1889—prior to 1890—there was a duty of 25 per cent on both the finished goods and the metals.
Mr. PAYNE. There was no protective tariff?
Mr. MONTGOMERY. No, sir.
Mr. BRYAN. The act of 1890 gave you raw material, but increased the tariff on the product?
Mr. MONTGOMERY. Twenty-five and 30 on the finished product and gave us raw material free.
Mr. PAYNE. Before that there was no discrimination and prices were high?
Mr. MONTGOMERY. Yes, sir; there was no check upon the foreigners previous to that time in their prices.
Mr. PAYNE. And none manufactured here?
Mr. MONTGOMERY. No, sir; and they made their prices to suit themselves.

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Our request to you, gentlemen, is that you allow the present rate of duty to stand. Paragraph 737 in the free list exempts from duty our raw material, the tinsel wire, lame or lahn (of which sample is herewith submitted), used in the manufacture of bullions and metal threads. We desire that no change be made in allowing this article to remain upon the free list. Should any lowering in the protective feature of the existing law towards these goods be permitted we would be compelled to give up this branch of our business at a great loss of capital invested in machinery and a large curtailment in the employment of labor.

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Mr. MONTGOMERY. Yes, sir.

Mr. BRYAN. Is that a new industry?

Mr. MONTGOMERY. Yes, sir.

Mr. BRYAN. How old is it?

Mr. MONTGOMERY. Since 1890, new in this country.

Mr. BRYAN. Is there any tariff on those goods now?

Mr. MONTGOMERY. There is no tariff upon the metal; these goods are not manufactured in this country, this tinsel wire.

Mr. BRYAN. You import the tinsel wire?

Mr. MONTGOMERY. Yes, sir.

Mr. BRYAN. And make it into——

Mr. MONTGOMERY. These other goods—bullion, metal threads.

Mr. BRYAN. There is no tariff on the tinsel wire?

Mr. MONTGOMERY. No, sir.
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Mr. PAYNE. Before that there was no discrimination and prices were high?
Mr. MONTGOMERY. Yes, sir; there was no check upon the foreigners previous to that time in their prices.
MR. PAYNE. And none manufactured here?
Mr. MONTGOMERY. No, sir; and they made their prices to suit themselves.

Mr. PAYNE. If competition were broken would prices go to the old standard?

Mr. MONTGOMERY. That would be a strong temptation to put prices up where they could get them.

Mr. PAYNE. Suppose you were the only manufacturer?

Mr. MONTGOMERY. We would get all we could.

Mr. PAYNE. But if there was competition you would not?

Mr. MONTGOMERY. That would limit us.

Mr. BRYAN. Do you think you would run nearly thirty years without competition, as a previous witness did?

Mr. MONTGOMERY. We should hope so; but we have competition; we are not the sole manufacturers.

LEAD ORES.

(Paragraph 199.)

STATEMENT OF MR. L. E. HOLDEN, OF CLEVELAND, OHIO.

WEDNESDAY, *September 20, 1893.*

GENTLEMEN OF THE COMMITTEE: I come before you to present for your consideration the subject of lead ores, but with a special reference to the lead ores produced in the Rocky Mountains. I wish to be mindful constantly that your duties compel you to consider all subjects from a national standpoint. While you are doing this you must of necessity consider every productive industry of the land.

In raising the great revenue that is essential in carrying on the expensive administration of the Government it is of the highest importance that you so adjust the tax that it will bear as near equally as possible on the people. It is clearly within your power to so adjust the tax as to make it strictly a tariff for revenue and protection, no matter under what subterfuge of language the idea may be hidden. It may be called incidental protection or any other name. If there is a tariff for revenue on any product produced in this country in competition with the same kind of product produced in any other country which is brought to this market for sale, such tariff is protective. If it is a 20 per cent tariff it is on such articles a 20 per cent protection. The scope of your wisdom, which is but another name for judgment and discretion, will lie in the golden mean between a tariff which prohibits importation and extreme free trade, both of which bring no revenue and are alike in their effects so far as producing revenue is concerned.

So long as it is the policy of the Government to gather its revenue largely from a tariff tax it will require the soundest discretion to consider each and every industry, and so adjust the tax that it will be borne willingly by the people, while at the same time it encourages our national industries.

The location of mines is remote from the great business centers. The price of living, the cost of carrying on business, and the expense in transportation of products to places where they are consumed, and the cost of labor and materials that are used in producing ores are necessarily very great.

It must be considered, also, that all mining property when worked is constantly being depleted and its value diminished.

The mines of the mountains are extensive patrons of the manufac-

turers of steel, iron, lumber, powder, clothing, tools, and machinery, all of which are produced in the great business centers of the country. When the mines are idle, of course they cease to be patrons of other great industries. Hence, it is wise that they be not discriminated against in the adjustment of taxes. They should not be made to pay high prices because of tariff on that which they consume and receive no benefit by the tariff on that which they produce. I claim that where labor is the larger element in the cost of production it has the same right to consideration and protection in the ore as it does in the ax or engine. The dangers in mining ore are far greater to the men than in the mills, where the finished products are produced. The risks of life and capital are far greater.

I hold that labor is one and the same wherever it is used, and should at all times and in all places have the same consideration. I hold, also, that money invested in mines should have the same consideration, so far as protection from the Government is concerned, whether it be from police or tariff, when invested in a mine or a mill on a mine, as in a factory or shop, where finished articles are produced.

It is well known that in a few years most of the mines that are worked become exhausted, and the mills and the machinery that are used in hoisting ores or in concentrating them, or in smelting and preparing them for market, become valueless. Mindful of these facts, it is certainly unjust to enact laws discriminating against the product of mines and in favor of manufactured articles.

I do not come here recommending a tariff so high that it should in any way, shape, or manner be instrumental in the organization of monopolies or trusts, but I do sincerely believe in such a tariff, so long as it is the policy of the Government to collect its revenue by tariff taxes, as will enable the mines of the country to be run, fair wages to be paid, and just compensation for the uses of money invested to be earned.

I would not be misunderstood. I would have the tariff so low that in case prices were carried much beyond a fair compensation to the owners of mines that foreign products of the same kind could be brought in, and thus prevent the establishment of monopolies and trusts in our own country.

A fair measure for such a tariff is the difference in the price of labor paid in this country and that of other countries with which the miners of this country have to compete, and the difference in interest on money in this country and in those countries which would compete with us in this country.

For the last three years there has been no money made in the lead mines of the great Western mining districts. It is well known that the lead ores of the Rocky Mountains produce a small per cent of silver and gold, and that these products thus associated with lead have in years gone by enabled the lead miners to produce lead and ship it to our Eastern cities.

The low price of silver, in fact its constantly decreasing value since 1875 and 1876, has been a great setback to all lead mines in the Rocky Mountains, so far as their earning capacity is concerned. To-day I believe that three-fourths of all the mines are closed because of the low price of silver.

When lead reaches 5 cents per pound, then it can be imported from Europe. It can not be produced in the Rocky Mountains and shipped to New York, unless it is associated with silver and gold, for 5½ cents per pound.

As a general thing it requires the three metals combined to enable the mines there to be worked, and a tariff has been and is now absolutely essential to the life of these mines. The mines are almost the only source of money for that country. The miners buy the products of the farmer, and thus make a home market for the surplus produced by the permanent settlers of the land. Strike down mines and you strike down shops, stores, and farms, and stop the settlement of the valleys and the hillsides, and you take the very heart out of the intermountain country.

The mines of the great basin, as well as those of Arkansas and Missouri, are brought directly into competition with the lead mines of Mexico. The laborers of our mines, who receive from $2.50 to $3 per day, are brought into direct competition with the peon laborers of Mexico, who receive from 40 cents to $1 per day.

With a free importation of lead ores our mines must close or our miners must work for substantially Mexican wages. They can not and will not do it. Hence, in case free lead should be admitted, this great industry, giving work directly to thousands of men and indirectly vitalizing all industry and trade from the mountains to the ocean, would be paralyzed. It can not—it must not—be done. Our country is one; our industries are many; but they are all American and should all be treated with equal and exact justice. The policy of our country is to foster, not to destroy; to keep the wheels going, not to make them stand still.

I have great confidence in your discretion. Yours is not a policy of destruction, but one of justice between producer and consumer. As legislators, to us who are both producers and consumers you stand as the Government. The Executive can carry out only what you enact. The recommendations of this committee will be fraught with greater responsibility than that of any committee of any Congress for many years. While that policy remains the lead miners of the West and Southwest ask and insist that the same pro rata tariff be kept on imported lead in every shape, name, and form as is placed on steel, iron, machinery, tools, and implements which they use so largely in mining.

We claim that silver-lead ores, and all lead ores which have to be milled or dressed in order to fit them for smelting, are not raw material in any fair sense of the term. More than three-fourths of their cost is in labor, and that labor is just as much entitled to protection as it would be if used in a factory or a mill east of the Rocky Mountains.

Considered, then, as a means of revenue, there must be a tariff on lead and lead ores, or no revenue can be collected from them when imported; not a tariff so high as to be prohibitory, for then it ceases to be a revenue tariff.

It is, therefore, your duty from a national standpoint to recommend the golden mean between the extremes. It is uncertainty concerning the tariff policy which has put business at a standstill. What business men want is a definite governmental policy, especially when the great expense of carrying on the Government must be paid by the business of the country.

We must know definitely what taxes we have to pay and reckon them as part of the expense in our business. We must also know to what extent the bars of importation are to be let down; for the foreigner is our competitor if he does not pay our taxes.

We do not deceive ourselves. We know that a tax on imports is a protection to our industries close to the extent of the tax. We believe it is good policy to so place the tariff as to equalize the burdens and the benefits, to foster home production, and as far as possible prohibit

trusts. The lead trust of New York has controlled the price of lead ever since its organization; so that the price of pig lead has averaged about 4 cents, and the price of white lead in New York, which costs comparatively nothing to manufacture, sells for 6.58 cents per pound. This is the product of the lead trust, and the uniformity of the price which they sell at, as shown by the following table, tells how well they control the market:

New York prices of white lead.

[Cents per pound.]

Month.	1891.	1892.	Month.	1891.	1892.
January	6.34	6.58	July	6.58	6.58
February	6.34	6.58	August	6.58	6.58
March	6.34	6.58	September	6.58	6.58
April	6.34	6.58	October	6.58	6.58
May	6.34	6.58	November	6.58	6.58
June	6.34	6.58	December	6.58	6.58

The average yearly price of pig lead and white lead have been as follows:

[Cents per pound.]

	1891.	1892.
White lead	6.46	6.58
Pig lead	4.32½	4.05
Difference	2.13½	2.53

The tariff on lead ore and lead dross is 1½ cents per pound; on pig lead and old scraps, 2 cents per pound; lead in sheets, pipes, shot, glaziers' lead, and lead wire, 2½ cents per pound; white lead, dry, or mixed with oil, 3 cents per pound; red lead, litharge, and nitrate of lead, 3 cents per pound. The cost of producing pig lead is ten times more and requires ten times more labor than it does to take the pig lead and put it into white lead, pipe, or sheet lead, or shot, and yet the tariff on these products is from 60 to 200 per cent greater than it is on lead ores, out of which even the pig lead is made. If it be your plan, as it should be your purpose, to equalize the tariff tax, then manifestly it would be unjust to reduce the tariff on lead ores and pig lead, and keep the same tariff on lead products. Manifestly it would be still more unjust to admit lead ores free from duty. If in your wisdom you decide to recommend a reduction, then let it be pro rata on lead in every form, and certainly not at a greater per cent than you make on other branches of the metal schedule. I trust that you will bear in mind that the mining industry of the New West has been built up under the laws of protection; their investments have been made and their business adapted to and based upon that principle. Certainly whatever changes are made by way of reduction in the tariff should be made gradually and equitably.

I desire also to call your attention to the fact that the carbonate or free working ores, which formerly were found on the surface in lead mines, are worked out; mining grows more expensive as we sink; nearly all mines now are obliged to run long and expensive tunnels, or put in heavy pumps for drainage. The ores are all sulphides, and are mixed

with iron and zinc; to make them marketable, they must be crushed and jigged, so as to wash out the waste and be concentrated and then roasted. All this work is chargeable to the mines. The cost per ton of crude ore for dressing is from $1.50 to $2 per ton, and the cost of roasting is $2 to $3 per ton. There are generally 3 tons and sometimes 4 or 5 concentrated into one; thus, besides mining on every ton of ore fitted for smelting, there is an expense besides mining of $9 to $12 per ton. A careful calculation brings the conclusion that labor alone is 80 per cent of the cost of ores prepared for smelting. It is proven by our experience that mining grows more expensive as we sink. If a tariff was ever required for the development of lead mines in this country, it is required now. If it was necessary to establish, it is necessary to preserve our mining industry. If anything like former prices are to be maintained in this country, if labor and the prices of commodities are not to be measured by a gold standard and reduced to a level with European prices, then it is essential that a tariff for revenue with incidental protection be maintained on lead ore and all the products of lead. It is certainly the low price of labor in Europe and Mexico that enables them to produce lead so much cheaper than it can be done in this country. It would not be a wise policy, and certainly it would not be just, for you to recommend the abolition of the tariff and let in ores from other countries free, whereby our own mining industry would be destroyed and the Government receive no revenue from such importation.

	1891.	1892.
Total production of lead in the United States.....tons..	180,241	180,975
Total desilverized ore.....do...	150,478	148,180
Total Missouri and Galena.....do...	29,763	32,795
Desilverized product to total product.....per cent..	83	82
Average price.....cents per pound..	4.32½	4.5

I have carefully studied the cost of producing silver lead ores in Bingham Canyon, Utah. The facilities for mining and transportation are the best in the Territory. The ores average from the sale of lead 54 per cent of the receipts, from silver 39 per cent, and from gold 7 per cent.

The most of the mines have paid no dividends and have made no profit. In mining 10,394.43 tons of ore, and marketing the same under the most favorable conditions, and paying $2.50 and $3 per day for labor, the mine paid 4.7 per cent interest on the investment during the last two years, and the cost of producing lead and delivering it in New York, without estimating the value of silver and gold associated with it, was 5½ cents per pound. If it had not been for the tariff I doubt if a single lead mine in the Territory of Utah, and I might say in the entire Rocky Mountain region, would have been at work. Certainly not if they had been obliged to pay the rate of wages which they did pay.

It is difficult for me to describe to you the condition of the miners and the mining industry of the far West. For years they have been at work hoping and expecting that legislation would be enacted by which silver would take its place in the money of our country side by side with gold. They have worked and hoped almost against hope under a constantly declining market. These men are as good and true as any in this land. Many of them, in fact most of them, have gone

out from Eastern homes. In many instances they were the brightest and the most enterprising in their families. They have sought fortune in the mountains under trial, deprivation, and danger. Many of these men are graduates of our colleges and are familiar with the best of our civilization. To-day they stand by their cabins on the mountain side in despair. Some—nay, many—have taken their blanket upon their backs, all that they had left in the world, and tramped down the mountain and out the canyon because neither work nor food nor hope is left for them there. When the great decline in silver and lead took place, scores of these men came into the office of our company, and as they looked back upon the work they had done, the claims they had been obliged to forsake, and the blasted business hopes before them, these strong men and true, wept like boys.

I beg of you gentlemen, not to think that the lead ore of the Rocky Mountains is all produced by great and rich mining companies. The truth is very far from this. Thousands of poor men go out into the mountains and prospect. If they are fortunate enough to find a lead they work it, get out a few tons of ore, have it packed on mules, or drawn down the mountain side on sleds or rawhides, and then by wagon either to the railroad or to the furnaces in the valley. Perhaps one out of a thousand finds what may be developed into large mines; prospects are many—mines are few. But these prospectors and these poor miners produce a very large percentage of the ores that go to make up the aggregate production. These men, shod not in patent leather, but in stout cowhide boots, thickly studded with iron nails; these men, clad not in royal purple, but in butternut or blue jeans; wearing no sash of silk about their loins, but on their shoulders a bundle of coarse bedding; carrying no sword with jeweled hilt and scabbard, but instead a shovel and pick; wearing no crown of gold, but a broad and stout sombrero; these men march not with a retinue of body servants or military escort, but solitary and alone up the dark canyon—dark at mid-day, because of the mountain heights which shut out the light; these men, American citizens, are the silver kings to whom so many sneers and jeers have been graciously thrown. These are the men who have been adding a hundred millions of wealth per year to the permanent wealth of our country. It is the industry of these men for which I speak to you. It is the mining industry of the whole West, whether represented by rich or poor, you have to consider. It is an industry which in peace we should foster, and in war we can hardly do without it.

I understand that there will be a great effort made to induce you to let in free lead ores by parties specially interested in smelting furnaces close to the Mexican border. They will tell you that they want Mexican ores as fluxes. The facts are that we produce every kind of ore that a lead furnace requires, and they are produced in abundance. These parties want the Mexican ores because they can make more money out of them than they think they could make out of American ores. The furnace men of the country are few; they are easily organized into trusts. In fact, they are now so combined that between them and the lead trust of New York the miners stand between the devil and the deep sea, and are obliged to accept for lead and ore just such price as they see fit to pay them. If free lead ores were admitted it is not probable that the consumers of lead would pay any less for what they use. This was not the case during the years that under the ruling of the Treasury the lead in silver lead ores was admitted free. It is well known that we can not produce lead in this country cheap enough

to ship it abroad; the nearest mines to the seaport are 1,000 miles away, and most of them are 2,000. Five-sixths of all the lead produced has to be transported from 1,500 to 2,500 miles to market. This fact alone must show to you the great value of this industry to the carrying trade.

I have not the figures before me, but I believe I am safe in saying that one-half of all the silver and 25 per cent of all the gold produced each year in this country is produced in connection with and directly from the lead ores of the Rocky Mountains. I know from years of experience that neither the lead alone nor the silver and gold alone will pay for the extraction of these ores under the most favorable circumstances in which they have been heretofore mined. It is understood and expected that under your advice there will be a revision of the tariff. It is not expected that there will be a destruction of the tariff. I earnestly solicit your most careful consideration of this subject, and that whatever modification you recommend that it apply equally to lead ores and to the products of lead, and that under no circumstance, that under no name or form, lead in ores or otherwise be admitted into this country free; it would be far wiser to place a specific duty on silver lead ores, including both the silver and the lead, than to admit them free, especially in these times, when there seems to be so much fear and antipathy towards silver.

I thank you for your attention, gentlemen.

Mr. TARSNEY. Where are your mines located?

Mr. HOLDEN. In Bingham, Utah.

Mr. TARSNEY. There is not now, and never has been, any duty on what are known as dry ores?

Mr. HOLDEN. I think not. You mean ores bearing silver also?

Mr. TARSNEY. That is, silver and gold ores not bearing lead. There is not now, and never has been, any duty on them?

Mr. HOLDEN. I think not.

Mr. TARSNEY. The silver-bearing lead ores are used as a tool, implements in the smelting of dry ores. Is not that essential to their use?

Mr. HOLDEN. There are two methods of working silver.

Mr. TARSNEY. But the general method is to use what are called fluxing ores?

Mr. HOLDEN. They are both used, one perhaps as much as the other.

Mr. TARSNEY. There is, and always has been here for many years, a tariff of 1½ cents a pound on lead ores?

Mr. HOLDEN. Yes, sir.

Mr. TARSNEY. Are there any lead ores imported into this country?

Mr. HOLDEN. Yes, sir.

Mr. TARSNEY. Known as lead ores?

Mr. HOLDEN. There is quite a large quantity of ore that is brought from Mexico which bears lead.

Mr. TARSNEY. I am talking about what is known in mineral parlance or commercial parlance as lead ore—galena?

Mr. HOLDEN. I think there are a good many imported.

Mr. TARSNEY. Do not you know that a tax of $30 a ton upon galena ore is absolutely prohibitive, and that the reports show that not one ton is imported into this country?

Mr. HOLDEN. I think, on the contrary, that during last year there were about $750,000 duties paid on lead brought in in ores from Mexico.

Mr. TARSNEY. Exactly. Now, you know that that result also, do you not, from the fact lead is being smeltered in Mexico and sent to New Jersey smelterers to be there refined and desilverized, and that duty is paid upon that lead?

Mr. HOLDEN. Not at all.

Mr. TARSNEY Is it not a fact that the reports show that not one single ton of base galena lead ore has been imported into this country in years.

Mr. HOLDEN. I think not.

Mr. TARSNEY. You can not speak positively?

Mr. HOLDEN. I can not say with certainty about it.

Mr. TARSNEY. Now, I find from the report of the Director of the Mint that there were in 1891 about 4,000 mines producing silver in the United States that year; that is about correct?

Mr. HOLDEN. I should think so.

Mr. TARSNEY. I find from that report there were 150 of those 4,000 mines which produced these lead-bearing ores; that is about correct?

Mr. HOLDEN. I think so; that is, I wish to state this——

Mr. TARSNEY. Wait a moment; if there be a duty upon silver ores, upon all dry ore, 3,950 of which mines are producing these dry ores, what protection is there for the miners engaged in that industry?

Mr. HOLDEN. Do I understand you to mean the mines producing——

Mr. TARSNEY. There are 4,000 mines, according to the report of the Superintendent of the Mint, in this country here, which in 1891 produced silver ores, 50 of which only were producing these wet ores, leaving a balance of the 4,000 mines producing dry ores upon which there has been no duty and never has been?

Mr. HOLDEN. I wish to state here, that report can not cover all the prospectors and small mines that do produce a large percentage of the lead ores.

Mr. TARSNEY. It includes everything worthy of computation in the Superintendent of the Mint's judgment. Now there were 50 of them in Colorado, you have just stated, producing the greatest amount of lead of any section in the country.

Mr. HOLDEN. I did not state that.

Mr. TARSNEY. That is true, is it not?

Mr. HOLDEN. I am not certain whether Colorado produces more; I think Utah produces nearly as many tons of lead, but not as much silver.

Mr. TARSNEY. I find from the census statistics that in 1889 there were 49,078 miners engaged in silver mines in the United States, and the same report estimates that only 6,439 were engaged in mines producing lead-fluxing ores. If these statistics are correct then there are but 6,000 or could be under any condition but 6,439 miners receiving any protection under this system out of more than 55,000 miners; that would be correct?

Mr. HOLDEN. On your statement you make from these figures, I think it is.

Mr. TARSNEY. I am taking the official figures. There are 49,078 miners engaged in mining and all of them engaged in unprotected mines save 6,439. That is the report. Now what proportion of the demand for these wet-fluxing ores in the smelters of Colorado do the mines of Colorado provide?

Mr. HOLDEN. I do not know.

Mr. TARSNEY. You do not know?

Mr. HOLDEN. No, sir.

Mr. TARSNEY. I find from the statistics of the census report that in Lake County, Colo., four mines turned out 68 per cent of the entire fluxing ores of that county; that in Gunnison County, also a large silver and lead county, the same authority shows that one mine pro-

duced 93 per cent of the total production; that in Tinsdale County one mine produced 89 per cent of total production of that county; that in San Juan County one mine produced 86 per cent of the total product; that in Eagle County three mines turned out 90 per cent of the total product; that in Custer County one mine produced 90 per cent of the total product. I find from another official report that the Denver smelters, the two Denver smelters, purchased only 10,157 tons of lead in Colorado as against 20,468 tons in Idaho and 8,177 tons in Utah. Therefore the smelting of ores in Colorado which produces the greatest amount of lead in Colorado was compelled to import from without her borders of these implements which she absolutely needed for the smelting and refining of silver from dry ores. Are these statistics correct?

Mr. HOLDEN. I think that they are substantially correct. I will state the reason of it. Fuel is cheaper in Colorado than it is in the extreme West, and these ores can be more readily transported to the fuel than the fuel can be transported to the ores.

Mr. TARSNEY. But if there is an abundance of these leads-fluxing ores in Colorado and it be not controlled by a trust, bearing that in mind—if there is an abundance of these lead-fluxing ores in Colorado to reduce all the ores of her mines and she has got the cheaper fuel also, how do you explain she would pay freight transportation from the Cour d'Alene region and Utah to Denver to supply herself with that material?

Mr. HOLDEN. It is simply because she can make money out of it, and because they carry a large percentage of silver. These ores carry a percentage of both silver and gold.

Mr. TARSNEY. This is a matter of protection to American labor?

Mr. HOLDEN. And American establishments.

Mr. TARSNEY. How did the imposition of this duty of 1½ cents upon these fluxing ores affect American labor and affect the American interests, when it was imposed in 1890?

Mr. HOLDEN. It existed previous to that.

Mr. TARSNEY. I beg your pardon.

Mr. HOLDEN. Oh, yes; 1½ per cent existed——

Mr. TARSNEY. I mean on these silver lead-bearing ores—those that are used for fluxing purposes; how did it affect American labor and American industries?

Mr. HOLDEN. It increased the production of lead and silver in the Rocky Mountain regions. It stopped, if I remember correctly, the importation from Mexico, which ran from 15,000 tons up to 20,000 and then to over 30,000 tons of lead per year, and that amount was produced in America, instead of being produced in Mexico, and the American mines and miners did it, and not the Mexican mines and miners.

Mr. TARSNEY. I will read you a paragraph from the report of Consul-General Sutton, at Nuevo Laredo, published in May of this year, and when I have read it I will ask you if it is correct. He says:

> Owing to tariff legislation in the United States in 1889 and 1890, which shut out low-grade Mexican ores formerly exported in large quantities for reduction in the United States, a large smelting industry has been built up in Mexico. In 1889 the export traffic had just barely begun, and had immense possibilities. Our smelters of Kansas City, in Colorado, and other places, were taking large quantities of fluxing ores at such rates as made their mining profitable in Mexico, and gave a large traffic from the mines out of Mexico and through a portion of our territory. It was a traffic sorely needed by the railways recently built through a country largely undeveloped. This one item of freight might easily amount to $2,000,000 per annum.

Further on he says:

There was, however, another result. American capital left the United States and came to Mexico to establish in this country smelters to do here the work which had previously been done in the United States. Three smelters have been erected at Monterey, one at San Luis Potosi—perhaps the largest and most complete of its kind in the world—besides several other plants in different portions of Mexico. The cost of these plants and the money directly invested in ores and in handling the business may be safely stated in round numbers at $10,000,000 in United States coin. Not only has our country lost this much capital by investment abroad and Mexico gained that much, but with this money have come many prominent and enterprising citizens and a large number of employés. They have built up Monterey, San Luis Potosi, and other towns. The railways in Mexico which had formerly carried low-grade ores to the United States, getting a long haul, are now obliged to haul these ores shorter distances to the Mexican smelters, etc.

Now, has not that been exactly the result of the imposition of this duty upon these fluxing ores in 1891, and it shut down the smelters at Laredo, Tex., just completed when that tax was imposed, which cost more than a quarter of a million of dollars, and prevented it from ever opening to this day; is not that true?

Mr. HOLDEN. If that is true this is true, that during the three years there has been more than one hundred millions of money saved in the United States——

Mr. TARSNEY. I will get at that——

Mr. HOLDEN. Wait until I get through. I want to talk just one minute. There has been more than $100,000,000 saved in the United States by working our mines and smelters and sending their products to market; we have added to the permanent wealth of America more than $100,000,000, as against the $10,000,000 you speak of.

Mr. TARSNEY. Is it not a fact that the imposition of that tax only reduced the importation of those ores 3,000 tons that year, reducing it from 21,000 to 18,000 tons, and that the only effect so far as the importation was concerned was to impose a burden of $7 and a fraction of added cost for no benefit upon the American smelterer?

Mr. HOLDEN. I will give you the facts of the importation of lead and lead products.

Mr. TARSNEY. I have them here.

Mr. HOPKINS. Let him give them in his answer so we can get them.

Mr. HOLDEN. May I file these papers with the stenographer?

The CHAIRMAN. Yes, sir.

Mr. HOLDEN. I wish to file the statement of the importation of ores and lead for the three years preceding the enactment of the present tariff tax, also the importation which has taken place since then in order to show the value of this industry to the United States in comparison with the statement which the gentleman has made.

Mr. TARSNEY. If the statement that I have made that the importation of these ores has only fallen off 3,000 tons, and if on the other hand the exportation of lead from Mexico has increased from $13,000 worth in 1889 to $1,500,000 worth in 1892 by reason of the transfer of the smelting industry from the United States to Mexico, the lead producers of the United States have got the worst of it.

Mr. HOLDEN. They have not got the worst of it.

Mr. TARSNEY. The American railroads got the worst of it by having these freights taken away.

Mr. HOLDEN. No, sir, I deny it.

Mr. TARSNEY. The American labor at Kansas City and Texas and other places where these smelters were and which were shut down by this tax got the worst of it, did they not? The American country got the

worst of it by the transportation of $10,000,000 of its capital out of the country to furnish an implement for industries they built up with this cheap labor of Mexico and the output of Mexican lead has been increased to the extent I have stated; then that would indicate the lead industry of this country got the worst of it.

Mr. HOLDEN. It does not indicate it at all——

Mr. TARSNEY. Well, then——

Mr. HOPKINS. Let him answer the question.

Mr. HOLDEN. The facts are, the carrying trade in the United States has been increased from 157,000 tons from the Rocky Mountains in 1888 to 180,241 tons in 1891.

Mr. TARSNEY. Do you mean that would not have occurred notwithstanding this tariff?

MR. HOLDEN. It would not by any means.

Mr. TARSNEY. I thought not.

Mr. HOLDEN. It would not have occurred if the free importation of lead ore had continued.

Mr. TARSNEY. You interrupted me when I asked you if it is not a fact that this smelter at Laredo, Tex., costing over a quarter of a million dollars, and another down the river at another point on the Rio Grande which had been constructed and which was ready to proceed with the smelting of these ores was not compelled to be abandoned, and never has been and never had opened on account of the imposition of this tariff.

Mr. HOLDEN. I do not know it, but have been so informed. I will state, also, during the years of the ruling of the Treasury, when those ores were admitted free, that a large percentage, I think three-quarters of the stacks in Utah, in Idaho, and in Montana were closed, and I believe that more stacks have been set at work in the United States since the enactment of this law than have been built in all Mexico.

Mr. TARSNEY. Why were these stacks in Idaho and other States idle during all the years when under the Treasury regulations these ores were admitted free; because of the price of lead?

Mr. HOLDEN. For two reasons. They were in competition with Mexican labor and Mexican ores.

Mr. TARSNEY. I asked you, if it is not a fact, because you are an expert, were not prices of lead in 1886, 1887, 1888, and 1889 higher than they have been since 1890?

Mr. HOLDEN. No, sir; I may not give that accurately, but I know that prices went down at one time to 3½ cents.

Mr. TARSNEY. 1889, was it not, that a firm undertook to corner lead on the market and they failed, and the sudden throwing on the market of all they had accumulated crushed prices during the year 1889?

Mr. HOLDEN. I am not certain.

Mr. TARSNEY. But is it not a fact that the average price of lead in 1886, 1887, 1888, when these ores were imported free, was higher than it has been since the duty of 1½ cents per pound was imposed in 1890?

Mr. HOLDEN. No, sir; in 1886 it was the lowest price. In 1892—the fore part of 1891 and 1892—were the highest, and the lowest were in the years 1885 and 1886.

Mr. TARSNEY. What are you reading from?

Mr. HOLDEN. I am reading from the statistics.

Mr. TARSNEY. Prepared by whom?

Mr. HOLDEN. Caswell's Report.

Mr. TARSNEY. The official report of the census does not show it.

Mr. HOLDEN. I believe this report is correct. This is the New York price list.

Mr. TARSNEY. That is a private report.

Mr. HOLDEN. This is the New York price current on which we sell our lead.

Mr. TARSNEY. Is there a scarcity of these lead ores in the Rocky Mountain region which are essential implements in the reduction of dry ores, and the control of them in the few hands affects the value of the product of the miners of dry ores?

Mr. HOLDEN. I do not know that I understand your statement.

Mr. TARSNEY. Well, a smelterer is a good deal like a gristmill, he takes and reduces it at a fee.

Mr. HOLDEN. Yes, sir; and if all these gristmills are put into one and controlled by one man it would be what we call a trust.

Mr. TARSNEY. And a scarcity of these fluxing ores measures and regulates to a great degree the price of the dry ores which are themselves brought to the smelter.

Mr. HOLDEN. If the trust fixes the price, it does not, as in the case of a trust in New York, say white lead——

Mr. TARSNEY. Let us see. If I was a smelting man in Colorado and had control of the fluxing ores which were necessary in the reduction of dry ores and I was purchasing your dry ore, I could fix whatever price I pleased upon that dry ore because I had the only implement which would reduce it?

Mr. HOLDEN. That would be about as impossible to put all the wheat-growers in this country into a trust as to get the miners who produce lead into a trust together.

Mr. TARSNEY. Is it not a fact that the fluxing ores of Colorado have been in the hands of one or two smelters?

Mr. HOLDEN. I think not.

Mr. TARSNEY. You think not?

Mr. HOLDEN. I think not because——

Mr. TARSNEY. You are not in the inside where you could know, I suppose.

Mr. HOLDEN. I think I know.

Mr. TARSNEY. You are near to them?

Mr. HOLDEN. I am not near to them.

Mr. TARSNEY. You are a smelting man?

Mr. HOLDEN. No, sir; I am not, but I have been a smelter.

Mr. TARSNEY. You were four or five years ago?

Mr. HOLDEN. I was eight or ten years ago, but not within the last eight or ten years.

Mr. TARSNEY. There was no trust on this then?

Mr. HOLDEN. No, sir. I wish to reiterate what I said before, that these miners are all over immense distrcts of the Rocky Mountains, and you could not combine them into a trust. Above nearly every other interest they should be looked after instead of the interests of the furnace men, who can combine and who do combine together.

Mr. TARSNEY. How are we looking after these 98 per cent of miners, whose industry is not protected at all, engaged in this dry-ore production?

Mr. HOLDEN. I would look after them and not let Mexican ores come into competition with them.

Mr. TARSNEY. Would not you suggest, in order to put that plain enough, that the lead producers of silver ore have a high duty put upon it so as to protect the miner of silver ores?

Mr. HOLDEN. It is very much of a question whether one is entitled to it and that the other is not.

Mr. TARSNEY. It could not be very much of a question if you want to put them on an equality. If we are to put all miners—and, understand, the miners themselves understand generally that there ought to be an equality among them—how do you justify permitting an importation of silver ore or gold ore in competition with the American miner of silver and gold ore without any duty?

Mr. HOLDEN. I do not undertake to overturn the established policy of the United States Government in permitting the free importation of gold and silver.

Mr. TARSNEY. These tariff systems are not established policies. They always have been in a formative state, have they not?

Mr. HOLDEN. Yes, they have.

Mr. TARSNEY. Now, they are "reformative," as the gentleman from New York suggests.

Mr. PAYNE. The silver-bearing lead ores came in freely prior to 1890?

Mr. HOLDEN. Yes, sir; by the interpretation of the Treasury Department.

Mr. PAYNE. And by a proviso in the law of 1890 they bore a duty of a cent and a half a pound?

Mr. HOLDEN. Yes, sir.

Mr. PAYNE. As I understand you, you think it is just to have a fair protection on the difference in labor and interest in this country and other countries?

Mr. HOLDEN. Yes, sir.

Mr. PAYNE. Therefore, you advocate a retention of that duty?

Mr. HOLDEN. I advocate the retention of such a duty as is proportional to all other lines of duty; that is to say, if there be a change or a reduction it should be pro rata and not destructive of the duty on lead ores.

Mr. PAYNE. You want such a duty as will make up for the difference paid for labor in this country and competing countries, and for interest and these other expenses which are higher here than in other countries all along the line?

Mr. HOLDEN. Yes, sir.

Mr. PAYNE. And while that is incidental, still it was designed to protect all the industries all along the line in the construction of a tariff?

Mr. HOLDEN: Yes, sir.

Mr. PAYNE. That is your idea of it?

Mr. HOLDEN. My idea is, if there is a tariff at all on the thing we produce it is protective, no matter what you call it.

Mr. PAYNE. You want a tariff?

Mr. HOLDEN. I think it is a wise policy and there should be a tariff.

Mr. PAYNE. You think it would be a wise policy to have a tariff to protect the labor and capital of the country?

Mr. HOLDEN. I so stated.

Mr. PAYNE. Are not you the publisher of a Democratic newspaper in Cleveland, Ohio, called the Plaindealer?

Mr. HOLDEN. Yes, sir; I am.

Mr. PAYNE. And I supposed you indorsed the last Democratic platform, tariff for revenue only?

Mr. HOLDEN. I do not know that that enters into my examination on lead ores.

Mr. PAYNE. Of course if you have any delicacy in answering that *question I will not* press it.

Mr. TARSNEY. After this increase of the tariff of 1890 did you increase the pay roll of your employés?

Mr. HOLDEN. After the increase of 1890—in some respects, yes; in some respects, no.

Mr. TARSNEY. That covers all the period between the imposition of this tax and the present?

Mr. HOLDEN. No; during the last—during this panic—the mines were closed up, and thus when they were started up again we started on a lower rate of wages, optional with the men.

Mr. TARSNEY. That is owing to the panic?

Mr. HOLDEN. Yes, sir.

Mr. TARSNEY. You say you are the editor of a Democratic newspaper. It is taken for granted that we were commissioned and directed by the people to reform this tariff, commissioned by them last fall to proceed with the revision of this tariff, and I would like to have your Democratic advice where we shall commence the progress of reform.

Mr. HOLDEN. . I am not going to give you that advice here; I think you are abundantly competent to consider it. The tone of my paper which I presented——

Mr. DALZELL. You agreed it should be outside of anything you are interested in, of course.

Mr. HOLDEN. No; I am perfectly willing it should be on the line of what I am interested in.

Mr. PAYNE. I suppose you do not know of any industry which you have personally investigated yourself and been interested in so as to make an investigation of any article in the whole list should be revised; I mean where you have made a personal investigation?

Mr. HOLDEN. Yes, sir; I have made quite a number of them, and I can say right here in regard to the one in which I am personally interested that I am perfectly willing you should begin with what I am interested in, but you should make the reduction pro rata in the same ratio you do on all other industries.

Mr. PAYNE. If you made that reduction large enough it would decrease the price of wages, would it not?

Mr. HOLDEN. If you collect ——

Mr. PAYNE. Will you answer my question?

Mr. HOLDEN. If you will collect the present amount of revenue which is essential to carrying on the expenses of the Government which were instituted by a former administration it will be all the protection I want on any industry.

Mr. PAYNE. As a capitalist yourself, but if you made a large enough reduction it reduces the price of wages?

Mr. HOLDEN. Yes, sir; I stated the same thing.

Mr. PAYNE. You do not desire the reduction to amount to such that will reduce the price of wages even in your industry?

Mr. HOLDEN. No; I do not.

Mr. GEAR. You have an average protection at the current market price of lead of about 37½ per cent; a cent and a half duty is about that?

Mr. HOLDEN. Yes, sir; I think so.

Mr. GEAR. You are willing to have that average protection on other industries of the country?

Mr. HOLDEN. Perhaps. It depends upon the policy to be adopted.

Mr. GEAR. All around on everything?

Mr. HOLDEN. I am willing to have that, provided it is the established policy; of course I do not want an exception made to lead ores.

Mr. GEAR. You have got as high an average tariff as almost any one.

Mr. PAYNE. Your opinion is that the interest of the Government requires such a policy should be established and maintained in this country?

Mr. HOLDEN. Yes, sir; I mean a tariff policy for revenue and incidental protection.

Mr. GEAR. There are, according to the reports, 55,000 or 56,000 men engaged in producing lead ores in this country under the present system. Now, you stated in your paper that a reduction of this tariff would seriously affect their wages and close up the mines?

Mr. HOLDEN. No; I did not state that a reduction of the tariff would do that; I stated if the lead ores were admitted free it would.

Mr. GEAR. If lead ores were put on the free list your mines would have to shut up?

Mr. HOLDEN. They would.

Mr. GEAR. Where would your 50,000 men go?

Mr. HOLDEN. I do not know.

Mr. GEAR. They would gradually go to the farms and compete with the farmers' products?

Mr. HOLDEN. A great many have left and come East.

Mr. GEAR. And they have been brought in by the railroads free?

LEAD ORES.

(Paragraph 199.)

STATEMENT OF MR. HUGH N. CAMP, OF NEW YORK.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I appear before you to-day in behalf of the lead producers of Missouri and its vicinity, and I respectfully ask the consideration of the committee to the following facts touching an industry built up in the United States by and under the protective system, which we shall show has been the law of the land ever since the industry began.

First. The chief tariff changes, briefly stated, have been as follows: By the act of May 19, 1828, a duty of 3 cents per pound was placed on lead, which was reduced to 20 per cent ad valorem in 1842, but soon after was made 2 cents per pound. In 1846 it was again reduced to 20 per cent; again in 1861 it was raised to 1 cent per pound; and again in 1864 to 2 cents per pound, where it has remained up to the present time. Until 1860, the production in the United States amounted to but little, but from that time the beneficent protection to this industry has built it up from almost nothing to a point that enables us to rely entirely upon our own resources for this important article of commerce. Our importations and productions for each decade since 1860 are as follows:

	Produced in U. S.	Average New York price per pound.	Value in market at New York.	Importations in gross.	Value market at New York.
	Tons.	*Cents.*		*Tons.*	
1860-'70	134,300	$6\frac{3}{10}$	$16,721,800	222,900	$26,760,000
1870-'80	424,200	$5\frac{7}{10}$	47,680,000	111,110	15,000,000
1880-'92	1,270,000	$4\frac{1}{10}$	154,112,000	62,250	2,780,000
32 years	1,828,500	$5\frac{43}{100}$	218,513,800	396,260	44,540,000

The above table shows conclusively that as imports fell off our production increased and lower prices followed, and that we have built up an industry which employs not far from 10,000 to 15,000, and supports at least from 100,000 to 120,000 people in its various ramifications, and meanwhile we have reduced the price fully 2 cents per pound, or 33⅓ per cent; namely from 6 to 4 cents per pound.

Assuming that at least a portion of the lead produced was the outcome of silver, and if it were not for the lead contained in the ore the silver would not have been mined, we may add to the $218,000,000 at least $30,000,000 as the outcome of the article, thus making $248,000,000 as an additional wealth to this country since 1860.

It must be especially observed that lead is a production of the earth, an article worthless until labor transforms it to an article of commerce, and consequently an absolute and direct addition to the wealth of the nation, differing in this respect from many industries which merely turn capital over and can be reproduced year after year.

The value of this product in 1892 (in round numbers 180,000 tons) was, at New York, $14,400,000, and of this quantity the Virgin lead mines of Missouri and vicinity, which we especially represent, produced about one-fifth, the State of Missouri alone since 1860 having produced lead to the value of $50,000,000.

The mines operated by the St. Joseph Lead Company and the Doe Run Lead Company have been the largest producers in this country, having turned out, since their first working in 1866, over 182,000 tons, to the value of $14,500,000, having capital to the amount of $3,250,000, and employing about 1,200 people, all of whom get a comfortable living, and are enabled to educate their children, and are in every respect a valuable addition to our population.

We now desire to show the reasons why this industry can not compete with Europe and Mexico entirely unprotected. The average labor paid by the great "Metternich mines" of Germany, one of the largest in the world, and a fair criterion of foreign labor, does not exceed 50 cents per day for all grades of labor; the wages of Mexico and Spain are about the same.

It must be considered that the actual value of lead ore in the bowels of the earth is comparatively small, not over a quarter of a cent per pound, and that labor and transportation make fully from 85 to 90 per cent of its cost laid down in the market of sale. If labor in this country was the same as in Europe, or even 25 per cent higher, we would undertake to make lead as cheap as any other country in the world, but we can not compete with Europe and Mexico when we pay three times as much for labor as is paid in those countries.

The cost of transportation from a geographical center of the mining districts of the United States, somewhere in the Rockies, to the geographical center of the consumption, cost close to $20 per ton, while even from the Missouri mines to New York it averages $8 per ton. On the other hand, freight from Spain and Germany averages, by steam, not over $3 per ton to their markets, either at London, or New York, and by sail not over $1 per ton. From these facts it is evident that the foreigner has a clear advantage over us from 1½ to 2 cents per pound in labor and freight.

To ascertain just where the foreigner, with these advantages of labor and freight, touch the bed rock cost of lead, we cite the London price, which, from 1860 to 1870, averaged £20 10*s.* per ton, or 4½ cents a pound; for 1870 to 1880, averaged £20 7*s.* per ton, or 4 $\frac{4}{10}$ cents a pound; from

1880 to 1892, averaged £13 4*s.* per ton, or 3 cents a pound. At the present time it is £9 17*s.* 6*d.* per ton, or 2¼ cents a pound.

The discoveries in Australia of mines enormously rich in silver have carried the London price down as low as £9 5*s.* per ton, the lowest figure on record, and equivalent to 2 cents a pound. These prices are now shutting up the English mines to a great extent, and are closing all the low grade mines of Spain. If at these prices in Europe, with the low cost of labor prevailing there, they can not live, it goes without saying that it would be simply impossible for a great majority of the mines in the United States to sustain themselves if lead or lead ores should be made free, or any radical change in the tariff be made.

I hold in my hand a copy of a bill introduced by my friend Mr. Tarsney, in the House in the last Congress, permitting these ores of which I have been speaking, and which were changed in the McKinley bill, to come in free. I want to say very emphatically and without any reservation that the lead producers, rather than have this become a law, would prefer to have lead and lead ores free. Now, that is a startling proposition to you, and I will tell you why we make it. Free lead ores would undoubtedly stop mining ores in Missouri and in many States in the Union, but we might as well have free lead ores all over the country as to have them from Mexico. If you are going to have free lead ores in Kansas and western part of Missouri, let us have free ores from Spain at Boston, Philadelphia, Baltimore, and the seacost. We either want to have a chance of making some money——

Mr. HOPKINS. Is Mr. Tarsney's bill to let in ores from Mexico free?

Mr. CAMP. Yes; and we might as well have lead and lead ores free.

Mr. HOPKINS. You are from Missouri?

Mr. CAMP. I am treasurer of this Missouri corporation, but I am from New York, and I say that with the importations of free Mexican ores, undoubtedly within a year and a half there will be ores enough coming here to supply the whole United States with lead. Mexico is very rich in lead and silver ores, and if they had the advantage of importation of free ores in Kansas and the western part of Missouri, it would work the whole lead industry a great deal of injury.

Mr. HOPKINS. What, in your judgment, would be the effect on the lead mines of Missouri if Mr. Tarsney's bill became a law?

Mr. CAMP. It would have the effect to ruin them.

Mr. HOPKINS. How many men are employed in the lead mines of Missouri?

Mr. CAMP. Actually employed in the lead mines?

Mr. HOPKINS. Directly and incidentally.

Mr. CAMP. Probably not less than 10,000 people, directly and indirectly, certainly 8,000, and supporting a large population, taking the coal we use, and the wood we use, and machinery, and everything of the kind. In other words, the amount of labor which we employ directly and indirectly undoubtedly amounts to 8,000 or 10,00 people.

We desire to particularly protest against the treatment of lead ore as a raw material, and we ask whether an article worth only about ¼ of a cent per pound, 500 to 1,000 feet below the surface of the earth, and which by labor has been advanced to 3½ and 4½ cents a pound, can possibly be called a raw material. Ores ready for shipment can not come under that category; they must be reached by costly shafts, blasted with expensive explosives, broken up and handled by hand in the cars, hoisted by power to the surface, loaded again by cars and transported to the depots for shipment. All this time they have advanced many steps toward a finished product, and have increased in value from

¼ of a cent per pound in the ground to 3½ to 4 cents per pound laid down in the market.

We desire to emphasize the fact that in its bearing on the United States production, the importation of free ore is practically identical with the importation of free pig lead. By rulings of the Treasury Department, there was imported from Mexico during the last few years, prior to 1891, not far from 100,000 tons of lead in the shape of silver ore free of duty; the McKinley bill changed this and they now pay duty on the amount of lead contained, as per assay, and the result has been that over $1,175,000 duty was collected in 1891 and 1892; permit us to say that this ought not to be changed. There is no reason why a large additional revenue, so much needed, should not be gathered from this source. There is no doubt that the importation of free silver ores would give employment to a few refineries on the borders of the Rio Grand River, but it is manifest to the most casual observer that the importation of free ore or free lead will rob the country of one-half at least of the wealth thus dug from the earth, and would instead send out of the country millions of dollars to enrich foreign mine owners and throw out of employment thousands of our own miners. We, therefore, respectfully appeal to your committee to leave the present duty on pig lead and ores as a necessary factor to the healthy growth of this industry to apply the same to all leads in silver ore as well.

We desire to call the especial attention of the committee to the fact that lead is one of the few articles which every country for its own protection must produce and be ready to produce. It is a contraband of war and one of its chief sinews. The German Government appreciates this so fully that it controls some of its largest lead mines, and it would be a sorry spectacle for this country to be called upon to defend itself against invasion, and by a shortsighted policy to have crippled itself so completely as to be unable to produce within its borders so important an article of amunition. For it must be remembered that lead mines and their development are the growth of years, and can by no possibility be quickly put into operation. This argument alone should make lead a class by itself, and an article which should be especially fostered. This production should be the first to be protected and the last to be handicapped, since it rises above the ordinary influence of trade into one of the defenses of the nation's necessities.

In conclusion, Mr. Chairman, let me say that my observation as a merchant and a manufacturer for over 40 years has taught me that no one thing so disturbs the business of the country as the agitation consequent upon a change of tariff laws, and I have often said that I would rather live 20 years under a bad tariff than have two changes in the same time, even if they were good ones. I am one who believes that the terrible ordeal this country has been through during the past three months was brought about quite as much by the fear of changes in the tariff as by the silver agitation, and that if the Senate would at once pass the Wilson bill, and the country be assured that the McKinley bill, which, if not perfect, is to my mind as good a tariff law as we have ever had upon our statute book, would be allowed to stand, that the clouds that now rest upon us and the fears of the business men of the country would pass away, and that the coming years would be among the most prosperous the country has ever known.

One word more and I am done. If the fiat has gone forth that a new tariff bill must be made, then let there be no delay, let us know at the earliest possible moment our fate, so that we may enter the new

year with a full knowledge of what is in store for us. This much I ask in behalf of every business man in the land.

Mr. TARSNEY. You reside in New York?

Mr. CAMP. I do.

Mr. TARSNEY. Your interests are in Missouri?

Mr. CAMP. Some are.

Mr. TARSNEY. You are one of the principal owners of the St. Joe mines?

Mr. CAMP. I am quite a large owner.

Mr. TARSNEY. How many men own that mine?

Mr. CAMP. We have about 250 stockholders; we have about 300 in the two mines I represent.

Mr. TARSNEY. Your principal interest in the maintenance of the tariff duties upon these ores is for the protection and benefit of the mine workers?

Mr. CAMP. It is, and, of course, also to sustain an industry in which we have $3,250,000, and which we put in in expectation and belief that protection would be the basis of the law.

Mr. TARSNEY. In the census statistics I find that the production of the lead mines of Missouri—those mines producing simply lead and not anything, led production purely—for the year 1889 was 69,000,000 and some odd pounds. That was the lead product of Missouri?

Mr. CAMP. How many tons would that be?

Mr. GEAR. Thirty-four thousand and a half.

Mr. TARSNEY. I find for the entire production of that lead in Missouri there was paid in wages $401,440.77.

Mr. CAMP. Permit me to state here that that amount had better be corrected.

Mr. TARSNEY. That is a matter between you and the census bureau.

Mr. CAMP. (Continuing). Because we pay almost as much as that ourselves.

Mr. TARSNEY. I find from the official reports of the Government that amount was the wages to the operatives in the lead-mining industry. There were paid contractors $8,525.55; supplies, etc., $244,783.84; rent and taxes, $142,153.55, making a total of $796,893.21. Now, in these figures it would appear the wages were a small percentage of the mining cost of producing lead in Missouri. I find also from this same report the value of the lead output from these mines was $1,571,161.04, or, in other words, upon the total outlay for wages, amount paid contractors, supplies, rents, taxes, etc., that of all this only amounted to 50 per cent of the value of the product, and I find from this same report that you protected your miners by paying miners $1.13 a day; that you protected laborers by paying them $1.12 a day, and I find from this report in the Washington County Mines adjoining yours that $1 per day is the general rate and as low as 70 cents a day is paid for what is called common labor and not skilled miners. They need some protection, do they not?

Mr. CAMP. Are you through with your statistics? All I have to say in regard to that is this, that of the men in the two mines in which I am interested there is not a man who gets less than $1.12½ per day; that is, on the common labor. We pay up to $4 a day for many of our men——

Mr. BURROWS. Your foreman gets the highest price, I presume?

Mr. CAMP. The foremen get $1,600 a year, our captains. I was going to say the expenses of our mines, the two mines I am interested in, is not far from $16,000 a week. I mean by that, our labor and our

machinery which we have to keep up in condition and with all of its various ramifications. I do not mean to say that all of this is paid directly for labor, but in our mines we have to pay freight on wood and all the articles necessary for the mines, and we have an absolute expense of our two mines of not far from $16,000 a week, or $800,000 a year. What these statistics may show I do not know.

Mr. TARSNEY. These statistics show this. It shows, in regard to the lead industry of Missouri, that there are 21 foremen, at $2.19 a day; there are 206 mechanics, at $1.63 a day; there are 306 laborers, at $1.27 a day; there are 8 boys, at 72 cents, and there are 22 foremen, 411 miners, and 244 laborers working underground at wages I never heard stated. Let me go to another branch. Are you familiar with and watch your men's interests out there?

Mr. CAMP. I am.

Mr. TARSNEY. Are you familiar with the political nomenclature out there, what is known as the "Pluck-me" system?

Mr. CAMP. No; I do not think I am.

Mr. TARSNEY. Are you aware it was made a political issue in that State, and that the legislative authority of the State was invoked to prevent you miners of lead in Missouri from establishing at your mines stores at which you compelled your miners to purchase all their supplies at such prices as you put upon them, and exhausted all of their wages in absolute necessities for themselves and their families, and that the power of the legislature of Missouri was invoked by criminal statutes to prevent you doing that in the year 1891—let me be specific?

Mr. CAMP. Are you through?

Mr. TARSNEY. I am through.

Mr. CAMP. I would say since the formation of our mines we have had a store of the St. Joe lead company only; that we have never asked a miner to buy at our store; that we allow other stores to come to the place and compete with us, and we have miners that never bought a dollar's worth of goods at our store from the time they commenced until the present time.

Mr. TARSNEY. Do you mean to say that the labor commissioner of Missouri did not report to the legislature of Missouri that your particular mine is the most obnoxious in the State?

Mr. CAMP. I mean to say we have a letter from the commissioner that you spoke of—I wish I had it here—which speaks in the highest terms in the manner in which we treat our men and the liberality with which we treat our men.

Mr. TARSNEY. How did you come to expend $244,782.84 for supplies, when you only spent $400,000 for labor?

Mr. CAMP. I can not answer that. I do not think that is correct, but I do not know. Those are figures I have not seen.

Mr. TARSNEY. Now, you have said that the bill introduced by myself, and which passed the House of Representatives in the last Congress, to place these fluxing ores upon the free list would be more injurious to the lead interests of Missouri than to put all kinds of lead and lead ore upon the free list.

Mr. CAMP. I did not say all; I said equal.

Mr. TARSNEY. Have the lead miners, other than yourselves, in Missouri reasonable knowledge of their business industry; are they intelligent enough to know their own interests?

Mr. CAMP. I suppose so.

Mr. TARSNEY. Are not you aware of the fact that a large proportion

of the lead property of western Missouri is owned in my own city of Kansas City?

Mr. CAMP. Yes, sir.

Mr. TARSNEY. How do you account for the strange and anomolous fact——

Mr. CAMP. I would like to correct myself. You asked me if I was aware a large portion of the Western property was owned in your city.

Mr. TARSNEY. I said of western Missouri.

Mr. CAMP. Our mines are in southeastern Missouri.

Mr. TARSNEY. How do you account for the fact during all the time from the time I introduced that measure until it was put through the House of Representatives that no one of my constituents, nor a person interested in lead production from the State of Missouri, ever made a request of me or any member of the House not to pass it?

Mr. CAMP. I will answer that question by stating in the first place it was very natural the people of western Missouri and Kansas would want to have that, because by that they can make dollars where they are making cents. Why I would not want a better trust than the Kansas City people will have if the bill which you introduced can become a law.

Mr. TARSNEY. They are not interested, not one of them, in the importation?

Mr. CAMP. You say they are not?

Mr. TARSNEY. Not one of them are interested in importing any ore.

Mr. CAMP. But they are interested in the Kansas City smelters, which would be about the same thing, and if your bill passed I should not want——

Mr. TARSNEY. You are the only individual that I have yet heard speaking on the line you have been speaking, and I will ask you if you are aware of the fact that one of the delegates from the lead and zinc mining districts of western Missouri to the national Democratic convention at Chicago last year in the name of the operators and miners of that section presented to the chairman or the president of that convention a zinc gavel, and in his speech—mind you they produce zinc and lead together there, and the effect upon one is an effect upon the other—he presented that gavel to the president of that convention in the name of the miners of Missouri with the statement that they wanted no protection.

Mr. CAMP. Western Missouri, if you please. Of course, western Missouri wants it. Western Missouri produces a little lead with zinc.

Mr. TARSNEY. It produces 20,000,000 pounds.

Mr. CAMP. We produce 60,000,000; three or four times as much.

Mr. TARSNEY. Three times as much.

Mr. CAMP. Oh, very well, I do not hesitate to say if I was a western Missouri mine owner I should go in for your bill. It would be a great thing for the western Missouri miner—I think there is no question about that. It would transfer the whole lead interest of the United States right in that direction.

Mr. TARSNEY. I can not understand it.

Mr. HOPKINS (to Mr. Camp). You are not responsible for that?

Mr. CAMP. It would have the result I tell you. I, as a lead miner, would just as soon have free lead as to have your bill passed through.

Mr. TARSNEY. You do not desilverize any lead?

Mr. CAMP. No, sir; we are pure lead miners.

Mr. TARSNEY. You do not use a single pound of silver lead ores?

Mr. CAMP. No, sir.

Mr. TARSNEY. And not a pound of galena ore is imported into the country?

Mr. CAMP. That is true, sir, and why? Because we have kept the price down a cent a pound below the cost of importation.

Mr. TARSNEY. Now, you were for several years in the condition you would be in if that bill introduced by me would pass?

Mr. CAMP. I would say the importation commenced at 3,000 or 4,000 and the next year it was 10,000 and the next year it was 20,000 and then it was 30,000. That is the way it was. We found that there was such a large amount of lead being imported in competition that we put a stop to it.

Mr. TARSNEY. Is it not a fact during that period when, under the Treasury regulations, lead ores were coming in free that our lead was higher than it has been since 1890 when this duty was put upon it?

Mr. CAMP. That does not prove anything. It proves this in the first place the production of Europe has largely increased and prices have ruled very low there, and we have increased the production and lead has ruled low here.

Mr. HOPKINS. You said something about the Kansas City smelters. What is the relation of the Kansas City Consolidated Smelter and the smelters on the border?

Mr. CAMP. They are all substantially one.

Mr. HOPKINS. Under one combination?

Mr. CAMP. Yes, sir; the Kansas City Smelting Works is a gigantic concern. If this bill of Mr. Tarsney was passed it would be one of the greatest trusts in the country. I would not care to have a sugar trust or any other kind of trust if I could have such a thing as that.

Mr. HOPKINS. If there was a trust, instead of making it here they would seek to get free lead from the cheaper labor of Mexico?

Mr. CAMP. Yes, sir. If I was in the business I would give $100,000 to have that bill passed.

Mr. HOPKINS. Does this Mr. Myers live in Kansas City?

Mr. CAMP. Yes, sir.

Mr. TARSNEY. There was no smelter in Mexico prior to the passage of the act of 1890, that is true. I take it for granted American capital has been driven out of America and invested in Mexican smelters, and the actual output of lead to-day from those smelters built by American capital in Mexico in competition with Missouri interests is more than 40,000 pounds.

Mr. CAMP. You have the statistics and I have not, but all I have to say is, it is a grand thing for Kansas smelters.

Mr. TARSNEY. It was a grand thing to have the peon labor of Mexico and let that come in competition with the labor of this country?

Mr. CAMP. I reiterate my statement that the lead miners would prefer free lead and free ore than to have such a bill pass as that.

Mr. HOPKINS. I want to know whether there was any change made in the labor of your mine after the introduction of the so-called McKinley bill, and if so what?

Mr. CAMP. Within two months after the passage of the McKinley bill we increased our wages 10 per cent on the ground that we felt we were in a position to know what our condition was going to be for some time, and we kept those wages the same until about two months ago, when lead fell to 2¾ cents a pound in New York and the question came whether we should close our mines or work at a loss. We concluded that we would prefer to work at a loss rather than to close them up, and

at that time we reduced the wages of one-half of our men 10 per cent.

Mr. TARSNEY. You state that in 1890 you increased the wages of all the employés, the whole list of employés in the St. Joe mines 10 per cent?

Mr. CAMP. I think every man; we increased our wages 10 per cent.

Mr. TARSNEY. Have not you had a strike since then?

Mr. CAMP. No, sir; we have never had a strike there.

Mr. GEAR. Do not your mines deteriorate by closing?

Mr. CAMP. Yes, sir. It would be ruinous to close them up, and therefore we would rather work it at a loss. It would be ruin to close them up for a year.

LEAD ORES.

(Paragraph 199.)

The present duty on lead ores of $30 per ton is almost prohibition. Lead ores contain from 25 to 42 per cent of lead. Three tons of lead ores yield upon an average about 1 ton of lead. The duty at $30 per ton for 3 tons of lead ores amounts to $90, and will produce 1 ton of lead. The duty of lead in bars is $40 per ton; hence it discriminates against American labor in favor of the lead already extracted from the ores. The advocates for the retention of duty on lead ores claim that higher wages are paid in this country than anywhere else. The Eleventh Census (House Mis. Doc. No. 340, part 1, Fifty second Congress, first session) positively disproves this assertion. Page 167 of that report says:

It must be noted that the average wages of the miners are lowered because of the low wages paid in Washington County, Mo., where $1 per day is the general rate, and as low as 70 cents per day.

Page 166 gives the amount produced in 1889 to be 44,482 tons of lead, and their commercial value $1,571,161.94.

On page 167 the cost of production is given thus for the State of Missouri:

Wages paid	$401,430.77	equal to 25.5 per cent
Supplies furnished	244,783.84	equal to 16.6 per cent
Rent and taxes paid	142,153.55	equal to 9.1 per cent
Paid to contractors	8,525.05	equal to 0.8 per cent
Total expenses	796,893.21	equal to 51 per cent
Commercial value		$1,571,161.94
Total expenses		796,893.21
Leaving a profit of		774,268.73

Equal to 49 per cent.

Thus it will be seen that labor only received 25½ per cent, while the profits, according to census returns, were 49 per cent. These profits, as compared with payment for labor, are 92 per cent in favor of profits.

Referring again to page 167, there were employed below ground 411 miners and 244 laborers. The miners, upon an average, for underground work received $1.13 per day, but they were given work only during 218 days; hence, they earned the sum of $246.34 for the whole year of 1889; but as they had to live 365 days, this munificent sum of $246.34, spread over the whole year, gave them an earning upon an average a fraction over 67 cents a day.

Returning to the production and the cost of the same, the 44,482 tons of lead were produced, according to census returns, at a cost of $796,493.21, equal to $17.91 per ton first cost. Considering that the duty on a ton of lead is $40 per ton it will be seen that the tax is over 123 per cent over the cost of production.

Protection over 123 per cent on first cost, while labor receives only 25½ per cent.

As remarked before, it takes upon an average 3 tons of lead ore to produce 1 ton of lead. The present duty of $30 per ton of ore is equivalent to $90 on the ton of lead. The cost of production being $17.91, labor and all other expenses included, but as labor receives of the total cost only 25½ per cent, or the sum of $4.57 per ton for its share, to produce a ton of lead protection to the amount of $90 to enable the mine-owners to pay the munificent sum of $4.57 per ton is absurd

Enormous as this evil is respecting the Missouri lead tax extortion, that of Utah and Colorado is infinitely worse, and but for the official returns published by the Director of the Mint, would be incredible. The Ontario Mining Company, of Utah (see Report Director of the Mint for 1887, p. 111), produced 32,162 tons of ores at a cost of mining, reduction, etc., of $25 per ton of ores. From these ores they extracted 2,014 tons of lead, 1,968,668 ounces of pure silver and 927 ounces of pure gold.

Cost of production: 32,162 tons of ores at $25 per ton	$804,050.00
Sale of—	
1,968,668 ounces of pure silver	1,948,981.00
927 ounces of pure gold	18,540.00
2,015 tons of lead	193,746.80
	2,161,267.80
Cost of production	804,050.00
Net profit	1,357,217.80

The silver alone covered the whole cost of production, leaving on that item alone a profit of $1,144,931, more than 140 per cent on the whole cost. The 2,015 tons of lead hence did not cost the infinitesimal part of a cent to produce, and yet, on the 3 tons of ores the duty, if imported, would have been $90. On the lead itself, not costing one cent to produce the whole 2,015 tons, the duty is placed at $40 per ton, to protect the mine owners against so-called peon labor of Mexico.

The Crescent Mining Company, of Utah, produced 5,269 tons of ores, which, according to their own report, cost them to mine, reduce, etc., $131,725. From these 5,269 tons of ores they extracted 2,107 tons of lead, 118,025 ounces of pure silver, and 150 ounces of pure gold. They sold the 118,025 ounces of silver for $116,844.75 and the 150 ounces of pure gold for $3,000, realizing a total of $119,844.75. Deduct this from the cost of production of $131,725, and the whole cost of producing 2,107 tons of lead was $11,881.25, equal to $5.64 per ton of lead, protected by $40 per ton of duty; but the 2,107 tons of lead sold for $202,693.40, leaving a net profit of $190,812.40 on the lead. These 5,269 tons of ores produced 2,107 tons of lead, equal to 2½ tons of ores to 1 ton of lead. Had these ores been imported the 2½ tons would have been taxed $75 to produce 1 ton of lead.

The Daly Mining Company, of Utah, mined 20,563 tons of ores at $25 per ton for mining, extracting, reducing, etc., extracting therefrom 1,005,760 ounces of silver and 783 tons of lead, at a cost of $514,075. The company sold the silver for $995,428, making a profit of $481,353 on

a half-million dollar investment. The lead thus produced was only a by-product not costing one cent to produce the same, yet there is a tax of $40 on a ton of lead to protect these rich mine owners, who appeal to Congress to protect them against peon or pauper labor of Mexico.

The Colorado Adams Mining Company produced 5,527 tons of ores, which contained over 2,000 tons of lead and 54,245 ounces of pure silver, cost of mining, reduction, etc., $82,905, as given by that company to the Director of the Mint and published in his report for 1887. The silver sold for $53,702.55, leaving $29,203.45 as the cost of producing 2,000 tons of lead, equal to $14.60 per ton first cost, protected by $40 tariff tax.

The same report of the Director of the Mint for 1887, on page 110, states 20 similar mines in Colorado which produced 18,890 tons of ores, from which were extracted 1,004,967 ounces of pure silver, 3,830 ounces of pure gold, and 639 tons of lead; total cost of mining, reducing, extracting, etc., $652.3 0. The silver and gold sold for $1,002,100, leaving a profit of $349,790, or over 53 per cent on the cost of production. The 639 tons of lead sold for $54,275, all clear profit, and yet they ask protection to the amount of $40 per ton of lead.

Respectfully submitted.

IVAN C. MICHELS.

MICA.

(Paragraph 202.)

BOSTON, MASS., *September 23, 1893.*

SIR: We ask that mica be put on the free list. The duty was imposed at the request of the domestic miners; since the duty has been placed there has been little if any increase in the production of mica in New Hampshire, Mr. Randall, one of the prime movers, not having done any mining since then. In North Carolina there has been quite an active effort made, but the output is not much in excess of the last year or two previously (without the duty); aside from these there is but a trifling amount produced in all other sections. We claim that the duty on mica is an unjust tax on the consumer, and should be repealed for these further reasons:

First. The bulk of the consumption is largely by electrical companies for insulation. They require mica of a quality not found here, a softer, easier-spliting mica, and of an inferior quality. For stove use mica must be clear and clean: for insulation the mineral qualities are chiefly desired—that it, that is insulate. For this purpose mica is used that stove manufacturers would not accept as a gift. Spotted, stained, cracked, inferior pieces will do if capable of splitting freely.

Second. These companies who have always (nearly) imported the mica they required from India, Canada, etc., have continued to do so and pay the duty. This company handles more mica than any other and for the past year has bought less than $1,000 of domestic mica, price being no object, and has imported from $100,000 to $150,000 of mica from India and Canada etc., paying the duty and benefiting no domestic miner, except by the price being advanced for his benefit. We claim that it is most unjust that mica should be taxed to protect some one when it does not protect. When the duty was under consideration (McKinley bill) seeing that it was bound to go, we then asked for a

discrimination in favor of Mexican mica but was refused, and it was all taxed alike. In this a very large proportion of the mica is imported in the rough or with the sheets roughly trimmed on edge to put in good shape for cutting here. Then all the mica is cut up here by domestic labor. We employ at times fully 100 hands working up mica, and the mica we handle gives employment to several hundred hands when worked up by our customers' factories. We sell large quantities uncut. This we have always considered an outrageous discrimination. We ask however for total repeal. We have mined largely in North Carolina and New Hampshire and by not finding the mica we needed were forced to import.

Yours, truly,

AMERICAN MICA COMPANY,
By GEORGE B. WATSON, *Manager.*

PENS.

(Paragraph 204.)

GENTLEMEN: We respectfully ask the continuance of a specific duty of 12 cents per gross on steel and metallic pens.

No increase of duty on pens was made in the McKinley bill, and the industry we represent was not in any way benefited by that measure. We submit the following reasons for your consideration:

That while our industry is not a large one, it is important to the country.

No demand for a decrease in duty on steel pens comes from the consumer, and any suggestion to that effect is from the foreign manufacturer directly, or through those interested with them, on this side of the ocean, as importers.

If the duty should be reduced and our factories closed the consumer would probably not buy his box of pens 1 cent cheaper. Being a small and inexpensive article, the difference would go into the pockets of the foreign manufacturer and the dealers. The quantity of pens imported last year was578,100 gross, at a specific duty of 12 cents per gross, yielding a revenue to the Government of $69,372. The average rate figured ad valorem is 45 per cent, while the unit of average value is given as 27 cents per gross in the Government statistics. If the duty had been 45 per cent ad valorem instead of 12 cents specific, the foreign makers would probably have invoiced their goods about 8 cents per gross, without greatly undervaluing them as shown below, and the revenue which the United States Government would have received would have been about $21,000 in place of the $69,372, which was actually paid in.

A large proportion of our business is in the manufacture of "imprint" pens; that is, with jobbing stationers' names stamped thereon.

The average price which we can obtain for these pens is 22 cents per gross. The average cost price of our pens is 20 cents per gross; the average cost price of pens in Europe is 8 cents per gross; specific duty, which we want, is 12 cents per gross, making cost of imported pens laid down here 20 cents per gross; average cost of pens in Europe is 8 cents per gross; a 45 per cent ad valorem duty would be 3.6 cents per gross; would make the foreign pens cost here 11.6 cents per gross; average cost of our pens 20 cents per gross; average cost

of imported pens with a duty of 45 per cent ad valorem is 11.6 cents per gross, 8.4 cents per gross. Showing that with a duty of 45 per cent ad valorem European pens could be landed here at 8.4 cents per gross less than our pens cost to make.

Six factories are engaged in making pens in this country. There are about twenty processes in the manufacture of pens, most of which are by hand, making labor the principal item of cost; our wages are more than double those paid abroad.

While an ad valorem duty of 45 per cent appears to be a fair protection, it is not so in fact in our case, as the great bulk of pens imported are "imprint" work, as mentioned above, and cost but 8 cents per gross on an average.

Any reduction of duty would seriously affect, if not destroy and throw into foreign hands, the largest part of our business, without the least benefit to consumers, and at the same time decrease or entirely take away the wages of our employés, much the largest proportion of whom are women.

Any change by way of reducing the duty is to give the advantage of the market to the foreign producer. From long experience, it is our judgment that a specific duty is the only way to counteract fraud and evasion.

We therefore most earnestly urge that you continue the duty on steel and metallic pens 12 cents per gross specific.

Very respectfully,

THE ESTERBROOK STEEL PEN COMPANY,
Camden, N. J.
THE MILLER BROS. CUTLERY COMPANY,
Meriden, Conn.
TURNER & HARRISON,
Philadelphia, Pa.

QUICKSILVER.

(Paragraph 207.)

BOSTON, *September 18, 1893.*

SIRS: The undersigned, representing the quicksilver manufacturers of California, begs leave to submit to your honorable committee the following facts in regard to the manufacture of quicksilver:

Quicksilver in the United States is produced only in California, and is an important interest there, giving employment to more than 5,000 men at good wages, and representing a large amount of invested capital. The only other countries producing this article are Spain, Austria, and Italy; the first two producing the largest amount, and owned and worked by the Spanish and Austrian Governments, Italy producing but a small amount. The product of the Spanish mines is virtually mortgaged to the Rothschilds to repay a loan, which arrangement continues up to 1900. Until the discovery of the American mines, quicksilver brought a very high price—more than three times what it is selling for at present, and the production of the California mines has, therefore, since their discovery, practically controlled the price of quicksilver in the world by preventing the Spanish and Austrian mines having a monopoly. These two mines—Almaden in Spain, and Idria in Austria—are very rich, and hold immense reserves. The grade

of ore in the Almaden is about 1¹ per cent, and the Idria about the same. The grade of ore in the California mines averages but little over 1 per cent, and they have practically no reserves, but are dependent on their yearly developments of ore.

Statistics of the expenses of working the mines abroad and in California show that the average number of tons handled per each workman in the Spanish mines is a little over 6 tons, while in the California mines 63 tons per workman are extracted, showing the superior intelligence and energy displayed. Comparing year by year the Spanish mine with the New Almaden of California as to the amount of rock mined, we find that in the Spanish mines nearly 98 per cent was good enough ore to put into the furnaces, while in the New Almaden of California 24 per cent only could be used, showing three-fourths of all the rock mined was waste.

The wages paid, respectively, are as follows:

At Almaden, in Spain—	
Miners in ore, per day	$0.81
Miners in barren rock	.57
Masons in quarries	1.03
Lumbermen	.55
Furnacemen	.40
At New Almaden, in California—	
Surface and underground laborers, per day	2.00
Furnacemen	1.75
Timbermen	3.20
Miners	2.80
Carpenters	3.04
Blasters	2.75
Surface miners	1.50

The New Almaden being taken as affording the most complete figures but a fair sample of the whole. About 80 per cent of the total cost of a flask of quicksilver in California is labor. In 1878 California had 30 producing mines, in 1893 she has but 9, the decrease being largely due to the declining prices, and at which they could not be profitably worked.

The cost of producing a flask of 76½ pounds at the Spanish mines averages $7.86. The cost of producing a flask at New Almaden was, in 1886, $29.14; 1887, $23.10; 1888, $27.85; 1889, $31.38; 1890, $28.20; 1891, $46.57, the ore running extremely low in 1891 and no better in 1892. The cost per flask in 1886, 1887, 1888, 1889, 1890, and 1891 was a fair average for all the mines; so with the present selling price of about $37 per flask the margin for return on capital investments is extremely small.

The amount of production for the past five years has been as follows: 1888, 33,250 flasks; 1889, 28,883 flasks; 1890, 22,615 flasks; 1891, 25,584 flasks; 1892, 27,000 flasks. The amount produced in this country is about equal to its needs at present. I beg to call your attention to the fact that were the mines of California to be closed down, as they must inevitably be unless some protection is afforded, that the whole power of making the price would lie with the Spanish and Austrian governments, and we should be at their mercy. When the duty has been so low as to cause this shutting down, this has been the case heretofore. We are now protected by a duty of 10 cents per pound and the flasks filled with foreign quicksilver are subject to the same duty as if empty. This is little enough, and we ask, in consideration of the amount of capital involved, over $30,000,000, and the labor employed, comprising over 5,000 men at liberal wages, that the duty be not reduced but kept at the present rate.

Again, any reduction of duty would not bring in an increased revenue. Quicksilver is an article which can be used only for specific purposes, within narrow limits, and the price has little to do with the consumption. A low price will not extend its uses, which are confined to amalgamation, vermilion, and mercurial preparations. As it is used over and over again in mining, the slight duty cuts no figure there, and all preparations of mercury are protected by a duty higher than that on quicksilver, so that no detriment is worked to their interest. Again, the specific duty of 10 cents gives us protection when most needed—*i. e.*, when the price is low—which an ad valorem duty does not do, but affords greater protection when least needed—*i. e.*, when the price abroad is higher.

The quicksilver mines of the country are struggling for existence because of the low prices existing, and were lower prices to come would have to succumb to foreign competition. The average of ores now being worked is but a little over 1 per cent, yielding 20 pounds of quicksilver to the ton of rock, while the Almaden of Spain yields over 10 per cent, or 200 pounds to the ton, a difference in favor of the Spanish mines of 180 pounds.

Yours, respectfully,

W. B. BUCKMINSTER,
General Manager, Napa Cons. Quicksilver Mining Co.
Etna Cons. Quicksilver Mining Co.

WATCHES.

(Paragraph 211.)

NEW YORK, *September 22, 1893.*

SIR: We import clocks. But a few corporations manufacture them in this country. At a tariff of 30 per cent they all become rich. A duty of 45 per cent was put on them by the present tariff for the benefit of a few, and the cost of the masses. Clocks are no luxury; they are a necessity for rich and poor.

We import watches; no article of luxury either. The very shopgirl, if not in proper time to work, will have a certain amount deducted from her wages. Watches pay, as before, 25 per cent. Without any duty at all our American factories, by their improved machinery, can easily compete with European labor. A duty of 10 per cent would certainly protect them according to their arrangement with jobbers. The American watch-manufacturers don't sell to the dealer direct. They sell to the jobber only, and the jobber is duly bound to charge an advanced price of 15 per cent. This was done to induce jobbers to drop imported watches and handle American watches in preference. We can buy the American watch cheaper in Europe than here.

We import music boxes. They paid formerly 25 per cent duty, were raised by McKinley tariff to 45 per cent. Music boxes are not made in this country at all; never were made here. They bring joy and pleasure to the working classes as the piano does in richer houses. That pleasure should not be refused them.

On gold and silver jewelry, silverware, a former duty of 25 per cent well balanced the difference between European and home labor. A *duty of 45 per* cent was put on them.

I may add, this statement is not made for any personal benefit. We have not suffered in business through the higher tariff, but we consider it unjust.

Yours, respectfully,

A. FRANKFIELD.

METALLIC BEDSTEADS.

(Paragraph 215.)

WEDNESDAY, *September 6, 1893.*

STATEMENT OF MR. W. O. WHITCOMB, OF BIRMINGHAM, CONN.

Mr. CHAIRMAN: I appear before your committee as president of the Whitcomb Metallic Bedstead Company, of Birmingham, Conn., a corporation engaged in the manufacture of metallic bedsteads—brass and iron bedsteads, in other words. I do not propose to take up but very little of your valuable time, although, perhaps, it will be better for me to briefly state the history of this enterprise, so you can see the justness of our claims, etc., and be fully informed. I was formerly an importer in the city of New York and was in the habit of going to Europe annually to make extensive purchase of those bedsteads. I was engaged in the business six years as an importer, in New York, and becoming convinced of the rapid demand for these bedsteads by the growth of of the business, and satisfied in my own mind that the goods would eventually be manufactured in the United States, and that our importing business would cease, I withdrew from my old concern and started this enterprise. It has now been in operation about three and one-half years, during which time we have invested in buildings the sum of about $60,000, and in our plant, etc., the sum of about $100,000; so we have about $160,000 invested in our business, including our buildings, etc. We have never yet taken any money out of the business at all, and we are just now getting on our feet, so to speak, and able to manufacture. The goods we are now producing we are selling at from 10 to 20 per cent less than I formerly obtained for the same goods I imported from England. The present duty under the McKinley bill is the same as it was under the Morrill bill, or the former bill. There has been no change in the duty; it is 45 per cent, the goods coming in as manufactures of metal. The duty on the raw material—we import some parts of the material which go into the bedstead—and the duty on those is the same, 45 per cent. We appear this morning, and the gentlemen who are with me, come in the interest of another concern engaged in the same business, to appeal to your committee to make no reduction in the present tariff. We do not ask any advance, but we think the present tariff as it exists is but a fair one, and the one thing which is necessary for us to make a successful competition, for the wages which we pay in our business are from 100 to 200 per cent more than our employés would get on the other side.

Mr. PAYNE. Can you give us the comparative scale of the wages paid in this country and on the other side?

Mr. WHITCOMB. Yes, sir. The wages we are paying our men will average $2, $3, and $4 per day. They work on piece work, and the same men would get from 18 to 20 shillings or perhaps 25 shillings on an average; that would be $4.50, $5, and $6.

Mr. PAYNE. I would like to know whether they do the same amount of work per day?

Mr. WHITCOMB. They do not do any more work here than on the other side. That is the common misapprehension, I think. I have never been able to see that a man has turned out two or three times as much work under the American atmosphere as they do under the English. We manufacture these goods on both sides. Gentlemen who compose this corporation have been engaged in the manufacture of these goods in England and also here, and we have some of the same men who worked for us on the other side and the same men come over here and get two or three times the wages on this side that they got on the other; we are obliged to pay it.

Mr. PAYNE. Do not they serve a longer apprenticeship over there as a usual thing?

Mr. WHITCOMB. I do not think so. Usually it is customary for the children of these workmen on the other side to follow along in the line of their fathers. Usually when the father works at manufacturing bedsteads, his children are likely to go in the shop and follow in his footsteps. Just as here we have a man; we have five of his family in the works now, girls and boys, following in that trade.

Mr. PAYNE. You do not think there is much difference in the relative skill of the workmen there and here?

Mr. WHITCOMB. We have not been able to see it; no, sir. In our works our operatives are made up of all classes, Germans, Swedes, Americans, Irishmen, and all nationalities there. We started with about 10 men, and we have had this year as high as 125 operatives. We now, owing to the depression in business, have reduced the force to 40 or 50; we were obliged to suspend operations during the month of July and we are now running three days in the week.

Mr. PAYNE. With forty or fifty men?

Mr. WHITCOMB. We have seventy-five operatives now working three days in a week. Of course we have this investment made and we have got to continue in business; we do not propose to go out of business under any circumstances. The only thing for us to do in the event of a reduction of the tariff will be to get ourselves on the same plane that our competitors are on. Of course we can not continue and do not expect, and our men do not expect they are able to get from us or we to maintain the same scale of wages.

Mr. HOPKINS. What do you mean by saying you will get on the same plane?

Mr. WHITCOMB. Our competition comes from foreign goods entirely. There are but comparatively few manufactures in this country at the present time.

Mr. HOPKINS. You mean you must reduce the wages to your employés?

Mr. WHITCOMB. Yes, sir; of course, we will be obliged to.

Mr. HOPKINS. You say that competition comes from abroad?

Mr. WHITCOMB. Yes, sir; we compete with the foreign goods. With the reduction in the tariff, of course they are less liable to the competition, and in fact to-day there are probably 6 per cent of their bedsteads sold in this country to one of American.

Mr. PAYNE. What percentage of the cost of your goods is labor?

Mr. WHITCOMB. The cost of goods to-day is from 30 to 35 per cent of labor.

Mr. PAYNE. What is your raw material?

Mr. WHITCOMB. What percentage is raw material?

Mr. PAYNE. What is it; is there any labor expended on it before it comes to you?

Mr. WHITCOMB. No, sir; not much; it comes in a pretty raw state; some parts come finished. We buy a good many parts, which go into our bedsteads, made by other concerns. We buy at present because we can not do better. These parts are made from the raw material into the finished parts of the bedsteads, and we buy these parts and finish them and apply thom to the bedsteads.

Mr. DALZELL. Where does your competition come from?

Mr. WHITCOMB. Chiefly abroad.

Mr. DALZELL. Where abroad?

Mr. WHITCOMB. Birmingham, England; that is where all the bedsteads are made, nine-tenths of them. As I said, there are three or four times as many foreign bedsteads sold in this country as American bedsteads. The American manufacturers are all creations of the last three years. There are a number of these—ten, I think—which now have started in this business and are more or less advancing. Some of them have not got to producing goods yet and some are just starting. There is one in Jersey City, one at Lockport, N. Y., and some other locations. Some have not put anything on the market yet. Now, after three or four years struggling away at this thing we have gotten it into a shape where we are putting in goods superior to the foreign goods on the market for less price than we formerly could have imported the goods.

Mr. HOPKINS. Do I understand you to say the articles you are speaking of are being given cheaper to the consumer than before this duty was put on by the McKinley bill?

Mr. WHITCOMB. The duty was not put on under the McKinley bill.

Mr. HOPKINS. Well, before they were manufactured here?

Mr. WHITCOMB. Oh, yes, sir; they are much cheaper. Goods are sold here now—as I said before, I am selling goods here which we manufacture at 10 to 20 per cent less than I used to sell goods as an importer.

Mr. BURROWS. When was your concern started?

Mr. WHITCOMB. Three and a half years ago.

Mr. BURROWS. How much have you invested?

Mr. WHITCOMB. About $160,000 in buildings and plant. We have just built that large building (exhibiting photograph) this last year. That cost about $20,000 without anything in it. As I say, we appear before you to appeal to your committee in regard to these bedsteads. They come in as manufactures of metals and we do not see how we can compete, without a very heavy reduction in wages, with a reduced tariff for these goods. The tariff is not high, I think; I do not consider it so.

Mr. BURROWS. Is it satisfactory now?

Mr. WHITCOMB. Yes, sir; it is satisfactory. We appeal to your committee to maintain this duty and if possible to reduce the duty on some raw material which we are obliged to import and which we can not get in this country successfully at the present time. We formerly imported extensively, but we are gradually ceasing importing and are probably not importing more than 15 per cent of what we imported when we started in business. There have been some things on which I think the tariff might be reduced, because I do not see the consistency of a tariff on the raw materials equal to that on the finished product.

Mr. PAYNE. What is this 15 per cent?

Mr. WHITCOMB. We import a material, what we call case tube; that

is an iron tube which goes in the brass tube, which is used for bedstead purposes almost exclusively.

Mr. PAYNE. Is this 15 per cent you import now largely of these case tubes?

Mr. WHITCOMB. Is largely now of a special kind of bedstead tubes which we use for iron bedsteads. This is a tube (exhibiting sample) which is used for bedsteads exclusively and is made on the other side, and our tube-makers on this side have not cared yet to make them. It is a light-weight tube and they say the demand is not sufficient here for them to make preparations and lay down a plant. We expect to be able to buy this all here, but up to the present time we have not been able to do so.

Mr. PAYNE. Is there not as much labor represented on that as on your article?

Mr. WHITCOMB. No, sir; it is rough tube. I can show you a piece of it if you like.

Mr. PAYNE. It has not been polished or turned up?

Mr. WHITCOMB. No, sir; it is a plain close-joint tube.

Mr. HOPKINS. When you say there is 30 to 40 per cent labor in your work, you take that as raw material?

Mr. WHITCOMB. Yes, sir.

Mr. HOPKINS. And you do not consider the labor involved in that?

Mr. WHITCOMB. That is our individual labor after it gets to us. We take this and shape it into bedsteads and finish it. There is a class of stuff you see we make (exhibiting book) and it all comes to us in long lengths, and then we have to shape it up and fix it. At present, for instance, that tube pays 45 per cent, and we pay more duty on some classes of raw material than on the finished product.

Mr. HOPKINS. What you call raw material is the finished product of some other manufacturer?

Mr. WHITCOMB. Yes, sir; we admit that; we do not claim that this is raw material.

Mr. PAYNE. This is all ad valorem duty?

Mr. WHITCOMB. This is ad valorem and this is specific (exhibiting same).

Mr. DALZELL. Where does that come from?

Mr. WHITCOMB. Birmingham, England.

Mr. HOPKINS. Is not that article produced in this country?

Mr. WHITCOMB. That particular article is not. This is what we call a close-joint tube, and it is made out of rolled iron and they can not make this as well on this side as the other, or rather they do not want to make it. The tube manufacturers claim that there is not a sufficient demand for this particular weight of tubes, as it will not stand the pressure of steam or water, and they say they do not care to work in it.

Mr. PAYNE. But if all of this bedstead business was manufactured here——

Mr. WHITCOMB. They would make that; it only wants a demand.

Mr. HOPKINS. In other words, the development of the interest you represent here would create a demand which would be met by the manufactures of such articles in this country?

Mr. WHITCOMB. Yes, sir; that is done in all other businesses. We are buying now from one to ten thousand dollars worth of goods in this country that was never made here before, and, moreover, people have come to us and said that "if you men would give us orders, that will be an encouragement to us to expend this money in making these plants and patterns, and all of this, we will make them for you." They

would not touch them unless we give them orders so that they could certainly see their way to getting their money back.

Mr. HOPKINS. In other words, they are not willing to invest their money on an uncertainty?

Mr. WHITCOMB. Yes, sir; exactly. I might say in this connection, while I think of it, in regard to this particular business, we started this business three and a half years ago. The scheme was all prepared and all laid out, and capital all provided for, and the enterprise all planned, ready to start three years prior to when we did start, but when the agitation of the tariff commenced, and the prospect was we did not know what would be done, and there was a probability of the reduction of the tariff, we dropped the whole thing for three years, and I continued importing and going to Europe and buying goods. We did not dare to invest our money in that enterprise on an uncertainty, and later on, when the thing was determined and the policy was to be continued, we went ahead and spent our money and built the factories, but before that we did not care to do it; we could not start the business; it was absolutely impossible. It would have been suicidal for us to start the business without a protective tariff.

Mr. HOPKINS. Has this tariff you speak of worked beneficially or otherwise to the consumers of this country?

Mr. WHITCOMB. It has been decidedly beneficial; as I have said we are selling goods much cheaper than I sold the foreign goods and our prices are reducing all the time. We have reduced our prices ever since we commenced manufacturing.

Mr. HOPKINS. And the quality of the articles manufactured on this side of the water compare how with those on the other side of the water?

Mr. WHITCOMB. They are a much superior goods.

Mr. BURROWS. Taking a sample bed of the production, which, for instance, five years ago you sold to the retail trade, what can it be sold for now?

Mr. WHITCOMB. We are selling a bed to-day for $6 that we used to get $7.50, $8, and $8.50. I have had as high as $8.50 for a bedstead we are selling to-day for $6, better finished, a better mounted bed, and better in every particular. You can go to Chicago and see the goods on exhibition there to day, our goods are exhibitied in the Manufactures building, and compare them with foreign goods, and if they are not superior, if the line of goods on exhibition of American manufactures are not superior to the English I am much mistaken. The English goods are more elaborate, more expensive goods, something beyond the general ability of people to buy, but for staple goods that everybody can buy our goods are very much superior, and the public, can decide for themselves.

Mr. GEAR. The tariff act of 1890 stimulated your business?

Mr. WHITCOMB. Yes, sir; as I said, the tariff act of 1890 was no change from what it was before. There was no change in the McKinley bill; it remained as it was before.

Mr. HOPKINS. The only benefit of the tariff was that the tariff was to remain stable?

Mr. WHITCOMB. Yes, sir.

Mr. HOPKINS. And you had a certainty for the investment of your capital and the development of your business?

Mr. WHITCOMB. Yes, sir; that is it exactly. We had confidence to go ahead with our business and that is what we did. We started right in from the ground, broke the ground, and built the whole thing.

Mr. BURROWS. How would it affect your industry to reduce the duty now?

Mr. WHITCOMB. Of course we would be obliged to meet competition. A reduction of duty would open us to cuts, of course, and a further influx of foreign goods. As I stated a few minutes ago, there are probably two or three times as many foreign goods sold here to-day as American goods, and, of course, with a reduced duty they would flood the country with them, but we would continue in business and be obliged to reduce wages and curtail at every point.

Mr. TURNER. You mean you would have to reduce the price on your goods also?

Mr. WHITCOMB. Yes, sir; we should in some way reduce prices in order, of course, to meet the competition, and the first thing would be, of course, on the labor.

Mr. TURNER. How do you attribute the concessions you are making to your customers to the operation of the tariff, if taking the tariff off will reduce the prices still more?

Mr. WHITCOMB. The point is, these goods are imported, they come and go into the importer's hands. He has to have his price to get a profit, he can not do it otherwise because he has to carry a large stock of stuff and take chances of damage and distribute them all over the country to the consumers and he has to have that intermediate profit. We as manufacturers sell direct to the trade.

Mr. TURNER. If you have reduced your price from $7.50 and $8 to $6——

Mr. WHITCOMB. That is the retail price.

Mr. TURNER. How have prices on the other side been, what course have they taken, have they gone up or down?

Mr. WHITCOMB. The prices on the other side have been about as low as they can get them there on account of the extreme competition.

Mr. TURNER. You put your prices down in fact in order to compete with those goods?

Mr. WHITCOMB. We are obliged to have our prices, of course, in range with those of foreign goods.

Mr. TURNER. Is it not a fact, then, that your concessions to your customers are due more to the competition of the cheap foreign goods than to the tariff?

Mr. WHITCOMB. No, sir.

Mr. TURNER. What part of your concessions to your customers is due to the tariff and what part to this competition?

Mr. WHITCOMB. The reduction in the price of our goods is neither due to competition nor the tariff. We manufacture our goods——

Mr. TURNER. Then you modify what you stated just now.

Mr. WHITCOMB. I may have misunderstood it. I will ask you to state your question once more.

Mr. TURNER. You are proceeding and I would like to have your explanation in your own way.

Mr. WHITCOMB. I was saying our tendency in prices is downward.

Mr. TURNER. Then you do not attribute it to the protective tariff?

Mr. WHITCOMB. I do not attribute our downward prices. They are the same as anything else in getting out a large volume of goods. The more goods we sell the better our showing will make. We do not want a large profit; we want a large sale.

Mr. TURNER. If you had kept your price on the article mentioned to $7.50 or $8 would not the foreign goods have come in and undersold you?

Mr. WHITCOMB. No, sir; those were foreign goods that we were selling.

Mr. TURNER. Then you bought cheaper?

Mr. WHITCOMB. We bought not necessarily cheaper; there was no competition for American goods.

Mr. TURNER. Then you mean by your illustration to state that the tariff had nothing to do with this, that it was a business arrangement of yours to make this reduction in prices?

Mr. WHITCOMB. Yes, sir; our idea was to get the goods out as soon as possible and sell them.

Mr. TURNER. If the tariff was taken off the goods could not you sell cheaper?

Mr. WHITCOMB. We could if we reduced our wages down and get the goods out cheaper as would be the natural result of competing with foreign goods at a much less cost of production. Then we could sell our goods for less because the cost of making them would be less.

Mr. TURNER. I misunderstood you. I thought you were an importer.

Mr. WHITCOMB. I was.

Mr. TURNER. Then you are one no longer. You are competing with the importer?

Mr. WHITCOMB. Yes, sir.

Mr. GEAR. How much would it reduce wages?

Mr. WHITCOMB. The rate of wages, as I stated to the committee a few minutes ago, we pay our men on an average of from 100 to 200 per cent more than what they could get on the other side. We have men working in our place to-day, and I have seen the same men working in England for 18 shillings, $4.50, a week.

Mr. GEAR. How much money is engaged in this business?

Mr. WHITCOMB. I think there are about ten manufacturers.

Mr. GEAR. How many employés?

Mr. WHITCOMB. We have had as high as 125 in our factory, and I presume there are probably four or five other concerns which perhaps may have had as many more.

Mr. GEAR. It would be about 600 or 700 people?

Mr. WHITCOMB. I should think so.

Mr. GEAR. How much capital is there employed in this business in this country?

Mr. WHITCOMB. Judging from my own business, and assuming my competitors are quite as well off as I am, I presume likely half a million of money. There is the Westlake Company, of Chicago; of course I can not tell exactly how much that is, but there is the Gould Mercereau Company, the Buffalo Company, of New York—they have $100,000 capital, and we have $100,000—and there is $200,000 in those two concerns. I presume our competitors are as well off.

Mr. BURROWS. It was suggested if the duty was taken off you could sell this product cheaper; how much business would you do if you took off the duty and kept up the price of wages?

Mr. WHITCOMB. I do not see how we should be able to do anything, as these goods would come in so much cheaper than we could sell them.

Mr. BURROWS. It would stop your business?

Mr. WHITCOMB. Yes, sir; we could not make any competition and maintain the same scale of wages.

Mr. BURROWS. You would go out of business entirely in the United States, and what would be the effect on the foreigners?

Mr. WHITCOMB. If the manufacturers of the United States were

wiped out of the business the importers would continue to import goods at the same price I did, $7.50 for a bed we are selling at $6. That is the way it worked before, and that is the way it would work again. I have been on both sides in this business. We have made goods in England and in America, and we know what we paid in wages on the other side and here, and at what price we sold the foreign goods in this country and the domestic products, and the consumers are getting the goods cheaper to-day.

Mr. BURROWS. Have you made a statement in regard to the rate of wages paid on the other side?

Mr. WHITCOMB. Yes, sir; I have made that statement. I have seen girls working there who got 7 and 9 shillings a week—that is, on the other side. That would be $1.75 to $2.25, and we do not pay any of our girls less than $1 a day and from that to $7, $8, and $9 a week, according to their ability to do piecework. We would not dare to offer a girl $2 a week to do work if she did not have any experience at all. In regard to woven-wire mattresses, a thing we sell a great many of, I have made the same goods right in New York City and paid a man $14 a week, and I have seen the same man work on the same identical thing for $4.50 a week on the other side. I have seen that of my own personal experience. He got 18 shillings a week. Of course, my position in this matter is to demonstrate that the development of this business is for the benefit of the consumer. There is a home competition in this business. We can not get any fancy prices for our stuff; we are competing with one another here and the goods are steadily being reduced in price, so much so that one of my competitors has clapped a mortgage on his factory. That did not surprise me, for I could not see how he could sell at the prices at which he was selling.

Mr. GEAR. Do you know anything about the social condition of workmen on the other side?

Mr. WHITCOMB. Yes, sir.

Mr. GEAR. How do they live there compared with the workmen whom you employ?

Mr. WHITCOMB. They do not live in any approach to the way they live here. Now to illustrate, I have a man who makes very high wages here. He is one of our foremen in one of our departments. He came from the other side, and that man had never made at the top price on piecework over $10 to $12 a week. He has made on the average—I have just gotten the averages out, as I have been obliged to look over our pay roll—that man has been making 40 cents an hour since we commenced to make bedsteads. He had other men to work for him, but his net result was about $4 a day. Now that workman takes his family and goes to Europe this summer. Last year he came and wanted to know if he could not get a cottage down on the seashore; that he was going to the beach.

Mr. PAYNE. That is the kind of a man who can buy Malaga grapes.

Mr. GEAR. From your observation and personal knowledge the same workman in this country receives far better than he would for work at wages you have indicated abroad?

Mr. WHITCOMB. Infinitely better.

Mr. PAYNE. Where abroad, England?

Mr. WHITCOMB. Birmingham, England.

Mr. GEAR. Do you compete with any other country?

Mr. WHITCOMB. Not for bedsteads.

Mr. GEAR. Wire mattresses?

Mr. WHITCOMB. No, sir; we can make wire mattresses cheaper here than they can on the other side because the lumber is so much less.

The CHAIRMAN. You say you have made these metallic bedsteads both in England and here?

Mr. WHITCOMB. My partner was a manufacturer in England, and I used to go over there and buy goods when I was an importer, and he came over here and started the business with me, and while I did not personally make them myself, he has, and it substantially demonstrates what I stated that we have made goods on both sides. He was a manufacturer for 15 years.

The CHAIRMAN. You say you now employ the same men you worked over there?

Mr. WHITCOMB. We have some men, we have about six here—six or seven men who came over here with us. We had to start the business and we needed experienced men, whom we could not obtain here. The rest of our employés have been picked right off the streets of the town—every one of them. We have men to-day, plenty of men, I presume 25, who were hired at $1.50 a day, who are now making $3 and $3.50 a day. Those wages were a little abnormal, because ours was a new industry, our piecework, etc., and to a certain extent it was experimental, and they have reaped the benefit of our experience. Those same men who came in at a dollar and a half a day have been making $3 and $3.50 a day.

The CHAIRMAN. Now do you know of your personal knowledge what wages were paid in the English factories?

Mr. WHITCOMB. Yes, sir; I know from personal knowledge.

The CHAIRMAN. Did you ever see the pay rolls?

Mr. WHITCOMB. I have not myself, but my partner has paid them off himself and he knows it exactly.

The CHAIRMAN. But we are not asking in regard to your partner?

Mr. WHITCOMB. From personal knowledge I have only the testimony of those men.

The CHAIRMAN. Do you know anything about the different hours of work in this country and in Birmingham, England?

Mr. WHITCOMB. They have in England, I think, they run the eight-hour day, but I do not think——

The CHAIRMAN. How many hours a day do you run?

Mr. WHITCOMB. Ten hours a day, but that eight hours a day is not necessarily in all lines of business. The busines is done by piecework anyway, so the hours of labor do not enter into the cost; they make what they can.

The CHAIRMAN. Have you any personal knowledge—and of course you come before this committee to enlighten them and we want you to speak from personal knowledge and not hearsay—of the net product per hand in the Birmingham factory and your factory?

Mr. WHITCOMB. Yes, sir; but in this way——

The CHAIRMAN. You stated it a little while ago.

Mr. WHITCOMB. A gentleman asked me if I thought there was any greater capacity in turning out work here, and I said I did not think there was, because I did not see why there should be. They had the same appliances, etc., and there could be no particular reason, that I could see, why they should do more work here.

The CHAIRMAN. I understood you to say the prices also of these bedsteads have fallen considerably in the last three years?

Mr. WHITCOMB. Yes, sir.

The CHAIRMAN. Have the prices fallen in England as well as here?

Mr. WHITCOMB. I do not think there has been as much change there, because the competition in England has been for years to a very fine point. There are a very large number of manufactories, and they are competing with each other to the very knife, you know.

The CHAIRMAN. Then you further suggested if the tariff was removed these manufacturers would put up their prices of goods here?

Mr. WHITCOMB. Yes, sir; I think the result would be that the prices would go up, for the reason the importer would go back; he could go back to the same prices he sold his goods at when there was no competition here.

The CHAIRMAN. Now, the prices in England being made by sharp competition there, could they put up prices without a combination between them?

Mr. WHITCOMB. Yes, sir; they have a combination between them.

The CHAIRMAN. Do you mean to say they have a sharp competition and then a combination?

Mr. WHITCOMB. They have a combination to protect themselves. I had that direct about two days ago.

The CHAIRMAN. They compete with each other and put their prices to the lowest notch, and then they have a combination to protect each other from each other?

Mr. WHITCOMB. They had got so low that they had to form a combination to get a profit, that is a fact.

Mr. PAYNE. You do not mean to say there could be a combination without a protective tariff?

Mr. WHITCOMB. On the other side, well I do not know. They compete with each other and protect themselves against the home trade as well as foreign. The competition here is keen enough among ourselves, I assure you of that, gentlemen.

The CHAIRMAN. Of what proportion of the beds sold in this country are still imported?

Mr. WHITCOMB. Of course, I have no means for knowing exactly, and it is only approximately that I can answer that question. I think to day there are probably three times as many foreign bedsteads sold as there are American bedsteads sold.

The CHAIRMAN. Are there not probably as many sold now as there were before you began manufacturing?

Mr. WHITCOMB. Yes, sir; I think there are more.

The CHAIRMAN. It has become the fashion?

Mr. WHITCOMB. Yes, sir; the business has been increasing all the time and probably more are sold. They are becoming more used for general household purposes than they were formerly. It was a business here before we started, but as a matter of fact very few were made by American manufacturers, so they cost very high.

The CHAIRMAN. How many employés did you say were engaged in this business?

Mr. WHITCOMB. We have had in our concern about 125.

The CHAIRMAN. How many other concerns are there?

Mr. WHITCOMB. I think there are nine or ten other concerns.

The CHAIRMAN. Would they employ 125 employés each?

Mr. WHITCOMB. I should not imagine they would employ as many, as we are one of the leading concerns.

The CHAIRMAN. Do you suppose there are 500 or 600 persons employed?

Mr. WHITCOMB. I presume so.

The CHAIRMAN. How many consumers do you imagine there are in this country?

Mr. WHITCOMB. We hope there are 65,000,000 who will want our bedsteads.

The CHAIRMAN. Your interest is to get as good prices as you can for your product?

Mr. WHITCOMB. Our object is to sell the goods as extensively as we can and not at the greatest price. Our tendency is to sell goods at a fair price and get as large a sale as possible. We have to compete with these goods with wooden bedsteads and we can not get anything but a fair price for the goods. It is not the idea of manufacturing the goods and getting a high price for them.

Mr. GEAR. It is large sales which aggregate your profit?

Mr. WHITCOMB. Yes, sir; unless we sold the goods at a low figure we could not compete with wooden bedsteads which sell cheaper than these; what we want is output.

Mr. GEAR. You have stated there has been a combine in England?

Mr. WHITCOMB. Yes, sir.

Mr. GEAR. Has there been any combine in this country among the manufacturers?

Mr. WHITCOMB. No, sir; there has been no combination or an attempt at a combination. I think every manufacturer makes up his prime cost and puts his price at which he is willing to sell the goods at. That is our idea.

Mr. BYNUM. I understood you to say that your partner had been a manufacturer in Europe?

Mr. WHITCOMB. Yes, sir.

Mr. BYNUM. When did he come over here and engage in manufacturing?

Mr. WHITCOMB. Three and a half years ago.

Mr. BYNUM. What induced him to come over here?

Mr. WHITCOMB. The inducement was this: I was going abroad buying these goods, and I at one time made the remark to him (he is a young, energetic man and a thorough mechanic, good bedstead maker) and I said, "It is no place for you over here; you ought to be in America," and I said, "I will tell you what I will do. If you will come over and associate with me in business, we will start a manufactory for these goods." He had no ties, no family, and he said, "All right, I will think about it." He thought about it, and, as a result, he came over here. I furnished the money, and he had the practical experience, and we formed this business—this partnership; that is what induced him to come.

The CHAIRMAN. You were not a partner in the English establishment?

Mr. WHITCOMB. It is not an English establishment. Oh, over there, I was not a partner; no, sir. However, we started in England and made our plant in England and then brought it over here, because I was engaged in other business in New York and did not sever my relations there for six months or nearly a year after I started this.

Mr. BYNUM. How many men did I understand you to say he brought over with him?

Mr. WHITCOMB. I think six skilled workmen came over.

Mr. BYNUM. Did they work on piecework over there?

Mr. WHITCOMB. Yes, sir; they worked on piecework over there.

Mr. BYNUM. And they work on piecework here?

Mr. WHITCOMB. Yes, sir.

Mr. BYNUM. What were the prices paid there as compared here for piecework?

Mr. WHITCOMB. I can not tell you the details of the price of the work.

Mr. BYNUM. You do not know the detail prices of the work?

Mr. WHITCOMB. I am not familiar with that, that is not my department in the business.

Mr. BYNUM. Now, is it not a matter of fact that the amount of piecework here is larger by reason of the improved machinery used?

Mr. WHITCOMB. No, sir; these bedsteads are made exactly in the same manner they made them on the other side, exactly; we make them on the English style.

Mr. BYNUM. Do not you know the English workmen do not allow the use of machinery like they do over here?

Mr. WHITCOMB. In the manufacture of bedsteads there is very little of machinery used; it is most all hand work. The parts are made, cut off, assembled, and put together by hand, and on the iron bedsteads they are all cast up by hand process in the foundry. There is no machine work which goes into them except polishing the brass work. Very little machinery can be brought to bear in this business.

Mr. TURNER. Have you found the business very profitable?

Mr. WHITCOMB. Well, up to this time we have never paid a dividend, but we hope we have made some money, but it has all gone into the plant. I worked myself for two and a half years and did not get a cent. I did not get car fare out of it. Last year we paid ourselves a salary. Up to that time my partner had a salary, because he had to have something to live on, but I happened to have a little money of my own to live on and managed to get along without drawing money out of the concern. The business is profitable, or rather we expect it will be profitable.

Mr. TURNER. How much have you added to your plant as the result of your operations for the three years?

Mr. WHITCOMB. We have added to the plant, we have doubled our building, but we have not done this out of our earnings. That has been done for us on a percentage of interest by the water company of the town in which we are manufacturing. They were satisfied we were going to be a fixture, and as we wanted facilities a proposition was made to have them erect this for a factory, which was done.

Mr. TURNER. What is the percentage?

Mr. WHITCOMB. I suppose—do you mean in machinery or in money?

Mr. TURNER. I mean how much from your earnings has gone into your plant; that is, if you have no objection to stating it?

Mr. WHITCOMB. I do not think—I shall have to think a little bit to answer the question intelligently—I think we have put in $20,000 from our earnings in the plant.

Mr. DALZELL. In three and a half years?

Mr. PAYNE. On a capital of $100,000?

Mr. WHITCOMB. We have paid in a little less than $75,000, but we have not taken anything out of the business. Everything we have made has gone back in there. I suppose we put in $5,000 or $6,000 a year in the plant from our earnings.

Mr. GEAR. In betterments?

Mr. WHITCOMB. Yes, sir.

Mr. TURNER. The firm has also drawn salaries?

Mr. WHITCOMB. They have had salaries only this last year; that is, three of them. Prior to that there was only one salaried man in the

concern. I had nothing, and my partner—last year we reorganized the business and took in another partner as we had to have more help. Before we took him in I practically owned the whole concern.

Mr. STEVENS. Do you lease the plant?

Mr. WHITCOMB. Yes, sir; we lease the building; we own some of them. We have expended on the property about $10,000 ourselves in buildings, but the rest belong to the water company there, as they built it for us.

Mr. GEAR. You said you had one hundred and twenty odd employés?

Mr. WHITCOMB. Yes, sir.

Mr. GEAR. Most of them have other persons dependent upon them?

Mr. WHITCOMB. Oh, yes, sir; most of them have large families. I suppose there are not less than 400 people who are directly dependent on our business there. Possibly some of these other gentlemen who are engaged in the same business may like to say something to the committee on this subject.

A REPRESENTATIVE OF H. L. JUDD & COMPANY. What we would say would be substantially the same as what you have already stated; our experience has been about the same as yours.

METAL BEDS.

Paragraph 215.

CHICAGO, *September 12, 1893.*

SIR: The duty on our bill is now 45 per cent. Before the McKinley tariff bill it was 35 per cent. We don't ask for any great reduction simply to bring it back to the 35 per cent. We established this business in the West, and employ a large number of men handling the same, to whom we pay high wages. The manufacturers in this business in the United States, if protected with a 35 per cent duty and all the brass and iron in this country at the lowest price ever known can not compete with us, they most certainly ought to. The manufacturers here are employing nearly altogether foreign labor and paying very little more, if any, than the manufacturers in Europe. One house in Birmingham, Conn., was called up before United States judge for importing foreign labor. We have, also, had to pay 45 per cent. duty on boxing and bundling. The boxes are no use to us, and we have to break them up, being too large to ship again, and many of these boxes being charged to us at $3 and $4 each.

Yours, very respectfully,

MILLER HALL & SON.

RECAPITULATION WITH REFERENCE TO IRON AND BRASS BEDS.

We pay 45 per cent duty, we pay 45 per cent duty on boxing, we pay freight 4,000 miles. Labor very nearly the same in Europe. Iron, brass, and copper, if anything, cheaper to-day in the United States than Europe. At the 45 per cent duty it is impossible to compete, and it is only on account of the superiority of foreign lacquer, thus creating a demand for imported beds, we have thus far been enabled to do so.

MILLER HALL & SON.

COTTON MACHINERY.

(Paragraph 215.)

MONDAY, *September 13, 1893.*

STATEMENT OF MR. WILLIAM H. BENT, OF TAUNTON, MASS, TREASURER OF THE MASON MACHINE WORKS AND SECRETARY OF THE COTTON MACHINERY BUILDERS' ASSOCIATION.

Mr. CHAIRMAN: I will read a statement that will take perhaps seven or eight minutes, and then I will be glad to answer any question which you may desire to ask.

The Cotton Machinery Builders' Association respectfully presents to your honorable body the following statement of facts relating to their industry, with the desire to aid you in your consideration of their interests in your preparation of a revised tariff bill.

In the present law cotton machinery is classed in the metal schedule, clause 215, "Manufactures, articles, or wares, not especially enumerated or provided for in this act, composed wholly or in part of iron, steel, lead, copper, nickel, pewter, zinc, gold, silver, platinum, aluminium, or any other metal, and whether partly or wholly manufactured, forty-five per cent ad valorem." The rate of duty was not increased by the McKinley bill. It is low in comparison with other manufactures. It is not prohibitive, nor does it materially restrict importations, which have increased quite steadily, reaching last year the largest amount ever brought into the country.

There is not now and never has been any trust or combination of cotton-machinery builders. Their profits of late years have not been sufficient to attract new capital to this industry. From the best obtainable statistics, it appears that the capital invested is about sixteen millions of dollars, and that, if all the establishments were working up to their full capacity, they would employ about eighteen thousand men.

The character of workmen employed is of the highest order in morals, intelligence, and skill, forming a class of valuable citizens. Cotton-machinery manufactories have been for fifty years, and are now, the nurseries and training schools from which many of the best mechanics in the country have graduated, who have become leaders in the development of our national resources.

They have furnished invaluable aid to our Government in times of peril, by inventing and building improved machinery for the equipment of arsenals, and by making great numbers of muskets and other implements of war, at a time when the foreign vendors of such articles were taking undue advantage of our dire necessities by demanding exorbitant prices.

The great strides which have been made in the improvement of cotton spinning during the past twenty years were the result of the inventions of American mechanics developed by American capital and labor.

We instance the fact that the latest improved spinning frames, which have recently been built by New England shops for Southern mills, have a producing capacity 60 or 80 per cent greater than those which were built twenty years ago, and are sold at 25 or 30 per cent lower prices than similar machines at that period were sold.

To the American cotton machinery builders belongs the credit of this most valuable contribution to the success of cotton manufacturing, the

reduction of prices of all cotton fabrics to the people, the enlarged consumption of cotton and consequent increase of the material prosperity of the whole country.

The value of these American inventions is attested by their adoption by the English machine builders who now advertise them as inducements for the purchase of their products at home and abroad.

In a leading manufacturing journal of England, called "The Textile Manufacture," published in Manchester, you will find various advertisements, one I know particularly of two pages, where it is made up wholly of what are called the American novelties in cotton manufacture, which was offered as superior to anything they have.

Labor constitutes the chief element of cost in our industry; taking all lines of cotton machinery together, it probably averages 75 per cent of their cost. In addition to the workmen directly engaged in the construction of the machines, such as molders, blacksmiths, machinists, carpenters, and painters, the business requires the employment of designers, draftsmen, pattern-makers, and experts, for the constant development and improvement of the various lines of carding, spinning, and weaving machinery.

The wages paid average about double those which are paid by English cotton-machinery builders.

The materials used are chiefly pig iron, bar iron, steel, and lumber. The prices of these articles are now quite low here and not a great deal higher than in England.

From the foregoing facts we think the following conclusions can fairly be drawn:

That whatever protection is granted us by the National Government is mainly a protection of American labor of a most desirable class—good citizens and valuable contributors to the growth and wealth of our country. That we are not enjoying any special favoritism from the Government by the recently enacted tariff legislation which is so severely criticised. That the protection which we receive is less than that given to other manufacturers, in which the labor cost is certainly in no greater proportion than ours. That the present rate of duty allows of a sharp foreign competition and the importation of a sufficient amount of machinery to afford considerable revenue. That the removal of the duties on the materials which we use, chiefly pig iron, would not save us enough in their cost to compensate for any even inconsiderable reduction of the duty on machinery. That the absolute necessity for our protection is the higher wages which we have to pay. The difference in labor cost is so largely in favor of the foreign machinery builder that even after paying 45 per cent duty and the cost of transportation he has the advantage of us in the cost of his product laid down in our ports. That in the interest of the great cotton industry of our country, and particularly its development throughout the Southern States, we should be sustained and encouraged as a most important factor in the progress of the nation. That we are not in any sense monopolists, nor do we enrich ourselves at the expense of the common people; but, on the contrary, we contribute to their comfort and reduce the cost of their household goods and clothing, without receiving inordinate gains from our capital and labor.

Gentlemen, we appeal to your wisdom as statesmen and your sense of justice as Americans. We believe that the present rate of duty can not be reduced without serious injury to us and our working people. But we recognize that the party in power was elected upon the promise of a reduction of duties.

If we are to be included in this reduction, we beg you to spare us all you can and to give us certainly as much protection as you give to any other industry wherein so great a proportion of the cost is American labor.

Anticipating some questions which might properly and naturally will be asked, I would like to read, as bearing on the question of per cent of wages here and England, copies of letters. I have annexed copies to this paper and the originals I have here from the Knowles Loom Works, of Worcester, Mass. They are inventors and owners of the best woolen looms in the world, so acknowledged, and they have a very large establishment with modern equipment in Worcester.

Mr. TURNER. Worcester, where?

Mr. BENT. Massachusetts. In order that the loom could be used to advantage in England, parties have associated themselves with the Knowles Company, of Worcester, and they have erected in England a manufactory for the manufacture of these looms under patent owned by the Knowles Loom Works. This gives the Knowles Company an opportunity to know exactly, which men do not often have, the cost in the two countries.

WORCESTER, *September 6, 1893.*

Replying to your favor of 5th instant, I beg to say that I have often studied in detail the prices paid by our people in England for building the Knowles loom, as their books are open to us always, and I regret that I have not at hand the exact figures to quote in comparison, but will say that we average to pay for labor two or three times as much to build the same machinery, and in some instances the difference is very much greater. The cost of materials used in the construction of a loom is not very much less there than here, the larger item being for labor. Hence whatever protection is placed on machinery, so far as our business is concerned, is principally a protection of labor, not material. If there are any special questions you would like to have us answer that I have not covered in above, we are,

Yours to command,

KNOWLES LOOM WORKS.

C. H. HUTCHINS.

I saw that the question of wages being so plainly fixed by his statement, there might come up what I have heard brought up as an argument, that the wage question of England and America is not a fair basis of per cent, because the American workmen will produce so much more in a given time than the English workmen, and in that regard we have a decided advantage. Here was an opportunity to bring that question to a solution so far as the manufacture of cotton machinery is concerned, and I asked him that question as to the labor cost and this is his reply:

WORCESTER, *September 15, 1893.*

MY DEAR MR. BENT: Referring to our former communication and conversation with you this morning, I beg to report after consultation with our people, that there may be no mistake about it, that we are making a perfectly conservative and true statement in saying that the total labor cost of building the Knowles woolen loom in England is less than one-half the labor cost in building the same loom here in our works. We also beg to say that so far as construction of this class of machinery by the gentlemen who build the Knowles loom in England is concerned, their relations with this country are such that they are frequently here examining in detail, not only the machinery in our own works, but in many of the best machine shops in this country, and for the last five years have been large purchasers of the same type of American machinery as we are using in our own works, so that they are practically fitted with modern machinery the same as we are, and a man's work there, by reason of this, is fully equal in quantity to the work that can be done here.

In addition to this, Mr. Edward Hollingworth, of the above-named firm of builders in England, told me on a recent visit in July, that he was now purchasing *machinery in Germany* made on the American plan, but with some further improvements, *and he* was able to purchase this machinery, copied after the American

makers, for a good deal less money than he could buy it in this country, and this machinery is also to be added to his plant. Hence, when you take into consideration the fact that their price per day or week is so greatly inferior to ours, and that they can turn off as large an amount of work by reason of their having the improved machinery, you will readily see that our first statement is a very conservative one.

There are many people in this country who are perfectly familiar with their works on the other side who could readily substantiate our statement on this matter. If there are any other facts that we can give to you, you will please command us.

We are, very truly, yours,

KNOWLES LOOM WORKS,
C. H. HUTCHINS,
President and Treasurer.

I have annexed to this paper, which I propose to leave with your committee, copies of those letters which I have read. I am at your service, gentlemen, if there are any questions.

Mr. TURNER. What kind of cotton machinery do you make?

Mr. BENT. We manufacture cards, spinning frames, and looms in very extensive varieties.

Mr. TURNER. Are not they very old devices?

Mr. BENT. We have been obliged within the last few years to create an entire new system of patterns all through. We brought out new spinning frames, etc., to which I referred in my statement.

Mr. TURNER. Is it the same old spinning frame?

Mr. BENT. No, sir.

Mr. TURNER. It has some new attachments?

Mr. BENT. I beg your pardon, it is new from the top to the bottom; we could not sell anything of the old style.

Mr. TURNER. I do not mean that the material is old, but the device is the same?

Mr. BENT. I meant the device, sir.

Mr. TURNER. In what does the difference consist between your present spinning frame and the old plan of making that?

Mr. BENT. We were obliged to alter the whole pattern of the frame from the floor up, in order to meet modern requirements of increased speed, etc.

Mr. TURNER. Is that a patented invention?

Mr. BENT. There are patents upon it, not as a whole but on some portions of it. We brought out a new mule in 1887 on which we had quite a run of business, but in 1890 we found that we had to start again and we brought out a new mule in 1890 for fine yarn. We have to bring out machinery at frequent intervals in order to keep up or a little ahead of the march of improvements. Also in looms we are constantly getting up new patterns, and are obliged to do so in order to get business.

Mr. TURNER. Wherein have you expedited the process of cotton manufacturing, say within the last three years; have you increased the speed?

Mr. BENT. Yes, sir; the machines run very much faster.

Mr. TURNER. Have you improved the durability of the machinery?

Mr. BENT. Yes, sir; we have by the substitution of superior workmen and material.

Mr. TURNER. Then it takes fewer hands to operate the process of making fibre into cloth?

Mr. BENT. Yes, sir; fewer hands to the machine.

Mr. TURNER. You do more of it by the machinery?

Mr. BENT. That is it. A machine tended by the same hand will pro-

duce more than would have been produced by one hand a few years ago, owing to the improvements in machinery very largely, almost entirely.

Mr. TURNER. Do you make cotton gins?

Mr. BENT. No, sir; we do not.

Mr. TURNER. None of your associates make them?

Mr. BENT. They are built, I think, in our State?

Mr. TURNER. What kind of gins?

Mr. BENT. I think the only kind sold are made at Bridgewater.

Mr. TURNER. Do you make the machines called twisters?

Mr. BENT. We have made a great many but we are not doing much in that now.

Mr. TURNER. Does your plant include machinery for rope works?

Mr. BENT. No, sir.

Mr. TURNER. It is standard machinery for the ordinary cotton spinning and weaving?

Mr. BENT. It is for carding, spinning, and weaving.

Mr. PAYNE. I understood you to say these improvements are American inventions?

Mr. BENT. Yes, sir.

Mr. TURNER. These inventions which you have recently made are patented in this country and in England?

Mr. BENT. Some of them are patented in both countries, but most of them only here.

Mr. TURNER. Does your company own any patents?

Mr. BENT. They own some.

Mr. TURNER. Is not that protection enough?

Mr. BENT. No, sir. It is not a protection, because Englishmen can take any invention whether patentable or not, and with these facilities of labor they will have the advantage I illustrated by the Knowles Loom Works.

Mr. TURNER. Can not you check him with a patent; he can not infringe upon your patents?

Mr. BENT. No, sir. If we had a sufficiently broad and extensive patent to cover all he does, but we have nothing of that sort; I wish we had. Most of it is not of that kind which can be held in England; some of it is. The manufacture of the spindles is very well covered in England.

Mr. STEVENS. Can a mill which is fully equipped with machinery ten years ago compete with those put up in the last three years?

Mr. BENT. Hardly; no, sir.

Mr. STEVENS. It is constantly being changed?

Mr. BENT. Yes, sir.

Mr. STEVENS. I want to ask you a question which I asked a gentleman the other day, what is the average life of the machinery?

Mr. BENT. Some of the machinery in the mill with good care and attention will last longer than others, but it is hard to state the time which would apply to all parts of a mill; but as a rule the improvements that arise necessitate a change before the machinery has worn out, and that is a matter of importance.

Mr. STEVENS. They are taken out and new machinery put in?

Mr. BENT. Good machines, so far as wear and tear to-day is concerned, are thrown out at a sacrifice of their value to put in machines which are necessary to compete with new mills which are being built by the foreign makers of the same goods. Take cards, for instance; a great many are being thrown out now which are perfectly good in them

selves and were perfectly good until the new cards were brought out, which do a great deal more work at less cost.

Mr. STEVENS. So that an average of ten years would about change cotton machinery?

Mr. BENT. It would, according to the experience of late.

Mr. BRECKINRIDGE. Do you make carding machines?

Mr. BENT. Yes, sir; we are just bringing out a new card.

Mr. BRECKINRIDGE. And then you make spinning frames and looms?

Mr. BENT. Yes, sir; our largest business is spinning frames for warp and filling both; and looms we make in great variety for all kinds of spinning, light and heavy goods.

Mr. BRECKINRIDGE. So then you make machinery to card, spin, and weave?

Mr. BENT. Yes, sir.

Mr. BRECKINRIDGE. Does this apply to wool as well as cotton?

Mr. BENT. No, sir; we have not made any woolen machinery for a great many years.

Mr. BRECKINRIDGE. Cotton machinery only?

Mr. BENT. Yes, sir; we have done little in woolen machinery, but very little.

Mr. BRECKINRIDGE. How much more cotton will your present machinery card in a day than the machine would ten years ago?

Mr. BENT. The cards which we build to-day will turn out 160 pounds a day as against the old card which would do from 30 to 40 pounds.

Mr. BRECKINRIDGE. Now, in your spinning machinery, how does that compare with the machinery of ten years ago?

Mr. BENT. Take coarse work, and what I mean by coarse work is all warping; the spinning frame will produce 30 to 40 per cent more.

Mr. BRECKINRIDGE. Now, take weaving machinery; how about that?

Mr. BENT. The weaving machinery has advanced from, say you take plain sheeting, from 150 picks or 160, as it varies under different conditions, to 180 and 190; perhaps 25 per cent. On more lighter fabrics the increase is greater. On light print cloths it runs sometimes as high as 200 and in some cases 220.

Mr. BRECKINRIDGE. Now, take machinery that would make say 200 to 220 picks, do they run that machinery with the same velocity abroad?

Mr. BENT. They run the looms on print cloths and that kind of fabric faster than we do. They use a heavy strong machine which they run faster and employ more weavers. The weavers run a less number of looms than they do here.

Mr. BRECKINRIDGE. Which do you think is more economical?

Mr. BENT. The American cotton manufacturers conceive with our class of help they can do better by this system with a larger number of looms at a slower speed to one weaver.

Mr. BRECKINRIDGE. How many looms will a weaver attend to in this country?

Mr. BENT. On print cloth they attend to 6 or 8 looms each.

Mr. BRECKINRIDGE. In Germany, how many do they have?

Mr. BENT. I could not answer personally with reference to Germany.

Mr. BRECKINRIDGE. Well, take England?

Mr. BENT. In England I am told they run from 4 to 6.

Mr. BRECKINRIDGE. If you have a patent on a piece of machinery in this country, the Englishmen can not come here under our patent laws and weave it if he had free trade?

Mr. BENT. No, sir.

Mr. BRECKINRIDGE. Nor can he in any other product.

Mr. BENT. No, sir.

Mr. BRECKINRIDGE. So your patents would seem a prohibitory protection against the foreigner as well as against the domestic manufacturer?

Mr. BENT. The patent would secure us in the use of that particular device which would need a patent, and they are overcoming that difficulty by using certain parts of our machines which are not patented and can not be patentable inventions, applying their inventions in other directions to their devices to take the place of those of ours.

Mr. BRECKINRIDGE. The chief trouble would be then they would have free sale for competing processes?

Mr. BENT. Competing machinery which would be a formidable competitor and is to-day.

Mr. BRECKINRIDGE. You have, in other words, a full extent of protection so far as the patent laws extend in this country against the foreigner.

Mr. BENT. On some portions of our machines. We have no patents on looms.

Mr. BRECKINRIDGE. That is the only extent to which the patent law goes in this country?

Mr. BENT. Yes, sir.

Mr. BRECKINRIDGE. So it applies to all manufactures in our country whether they be domestic or foreign?

Mr. BENT. Yes, sir. Mr. Chairman, I would like to give what is left of my time, as it is limited somewhat, to Mr. Snelling, of the Pettee Machine Works. He is here and prepared to present to you some interesting statements.

Mr. R. P. Snelling, of the Pettee Machine Works, Newton Upper Falls, Mass., submitted the following paper:

GENTLEMEN: We beg to call your attention to our business of building cotton machinery, in the Pettee Machine Works at Newton Upper Falls, Mass., and to state to you some facts in connection with our works, and the results that we believe would come from the reduction of the present tariff.

Our concern was established in 1831, by Otis Pettee, a prominent manufacturer of his time, and has continued doing business up to the present. We are now working full time on orders received before this depression in business, but as there are no new orders coming in, and cotton manufacturers have come to a standstill on account of the uncertainty of the business outlook, the prospect is very discouraging.

Since our business was first established, there have been changes in ownership and management, but the work produced has always been of substantially the same character, namely, that of furnishing machines for cotton mills.

About the year 1887 we started to build the machine known as the Revolving Flat Cotton Card. At this time it began to be recognized by cotton manufacturers that we were behind the English in cotton-carding machinery, and a large number of improved Revolving Flat Cards were being imported, as none were built here. The attention of our machine builders had hitherto been principally directed toward perfecting spinning and weaving machinery, and the improvement of the cotton card had received but little consideration.

To put ourselves in a condition to build these cards involved the expenditure of a large amount of money for equipping our plant, and before doing so we consulted with many manufacturers on the subject,

and found they were anxious for us to go into this business and save them from being obliged to import their machinery.

We looked into the matter carefully, and found that the cost to us would be *far* in excess of the cost of the machines to the English builders, on account of the high cost of labor here; but taking into consideration the tariff of 45 per cent on machinery, we believed we should be able to compete with the English builders, and we decided to manufacture these machines.

We went abroad into the English shops and thoroughly examined their methods, special tools, etc., and ordered a large number of these special tools in England from the same tool builders that furnished the tools for the English shops. We were, necessarily, a long time equipping our plant and perfecting our machine, and we spent over $250,000 on construction and improvement accounts in getting into a position to furnish the American manufacturer American-made revolving flat cards.

To show you the increased business and success we have been having, we give below the total amount of our sales from 1887 and the number of men employed:

Year.	Number of men.	Total sales.
1887	125	$106,000
1888	215	154,000
1889	250	238,000
1890	250	238,000
1891	350	414,000
1892	425	554,000
1893*	510	697,000

* Assuming that the last four months will average the same as the first eight months.

Our pay roll now is nearly $6,000 per week.

You will see from these figures that we have been enabled to build up a large business and give employment to many men who are well paid and prosperous, and we compete successfully with the English builders so long as we have had the present duty of 45 per cent. Our labor, which is the largest element of cost on our machine, is over 100 per cent higher than the labor on the imported machine. Many of our men have previously worked in English shops, and the wages that they received in England are compared with the wages received from us as follows, below:

Molders receive in England per week (average) $8. Molders receive at our works per week (average) $12 to $18. Turners and lathe hands, machinists, in England, per week (average) $7. Turners and lathe hands, machinists, at our works, per week (average) $10 to $15. Machinists, erecters, in England, per week (average) $8. Machinists, erecters, at our works, per week (average) $12 to $15. Clothiers receive in England per week (average) $8. Clothiers receive at our works per week (average) $12 to $20. Grinders receive in England per week (average) $8.50. Grinders receive at our works per week (average) $12 to $15. Our daily average being for *all* our operatives $1.90 per day, or about $11 per week, against £1, or $5, in England.

We have a manufacturing village about our works of 1,500 to 1,800 people that are dependent entirely upon the success of our business. They are living in neat, well-built cottages, many of which they own, and are enjoying all the comforts and privileges of a home life far different from what we have personally seen in similar English communities.

The prices of the English machines in this market are practically the same as the prices of ours, and orders are decided largely on individual

effort of selling. There is a great amount of competition in securing orders, and many contracts of which we know have been exactly the same so far as the English prices and ours are concerned.

The margin of profit in our business under the present tariff is not large, and we rely upon the volume of business done for our return. (Our yearly accounts are on file at the Massachusetts statehouse, where the public can at any time see them.)

If this tariff should now be reduced it would result in a very serious detriment to our business, if not complete annihilation. We can not afford to reduce our prices, and if the tariff is changed the importer can be able to furnish these machines to American manufacturers for less money than we can now afford to sell them, and this would mean that they would take all the orders and we should have to close our shops and our 525 men now employed would be thrown out of work.

Now, it is recognized that the growth and development of textile machine shops are of vital importance to the success and advancement of textile manufacturing. The improvements in cotton machinery made in our American shops are most important factors in the growth of American cotton manufacturing. The two industries are so closely allied that the crippling of one will very soon be felt by the other, and if our machine shops are wiped out, our cotton mills will be at the mercy of English machine builders. This small margin of tariff protection is just what enables the builders of cotton machinery to live. If the tariff should be reduced on cotton machinery you will say that there will be a corresponding reduction in the tariff on the so-called "raw materials" entering into the construction of our machine, which might lessen the cost of our finished machine enough to be an offset.

This item of so-called "raw material" constitutes a very small percentage of the total cost of the finished machine, very little of which could be imported, under any circumstances, and even if the duty should be entirely removed from "raw material" the reduction in cost of the finished machine gained thereby would be trifling.

It seems to us that the only way we could attempt to continue in business and meet a reduction in duty on cotton machinery would be by a sweeping reduction in wages, which we believe is wholly impracticable, considering the fact that our work people have been educated to a standard of living far different from that of operatives in foreign countries.

The majority of our work people voted for the present administration, expecting to better their condition by more business and higher prices for labor, but they are now being much disturbed over the outlook of business.

Although we were the first to go into the building of revolving-flat cards, we have been followed by other concerns, and our shop is now only one of many which would be disastrously affected by any change in the duty.

In conclusion, we would like to call your attention to the fact that the duty on cotton machinery in the last tariff change, known as the McKinley bill, was not raised, but left as before.

For the above reasons we wish to urge upon your committee the great necessity of keeping the duty on cotton machinery at its present figure.

AGRICULTURAL MACHINERY.

(Paragraph 215.)

HOUSE OF REPRESENTATIVES,
Washington, D. C., September —, 1893.

SIR: The present duty on agricultural implements is 45 per cent. The total cost of labor on this class of goods is not over 20 per cent upon an average, and the wages paid for labor in countries which compete with us are from 60 to 70, say 70 per cent of those paid by us. This being so, a revenue duty of 10 per cent would amply protect the American manufacturer. But as a matter of fact we need no protection and it ought not to be given to us, for all this character of goods are produced in the United States cheaper than elsewhere, and in foreign markets American goods of this class control the trade. A small tariff tax for revenue purposes ought perhaps to be continued, but surely no legislation looking to the "protection" of agricultural implement manufacturers ought to remain on the statute books of the United States.

The present duty on wheat flour is 25 per cent. The average wages paid to labor in the making of flour will not in well located and carefully managed American mills average more than 5 per cent, and this covers also such items as insurance, taxes, repairs, office expenses, and in some mills, betterments. If it is desired to "protect" the manufacture of flour in this country a tariff tax of 2 per cent instead of the present rate of 25 per cent would be ample; in fact the item of freight alone is an ample advantage and affords all the protection the American flour-maker could reasonably ask.

I would be glad to see both flour and agricultural implements of all kinds put upon the free list, and am certain that no reasonable producer of either can object to a reduction of the present rates of duty to 10 per cent. I have been engaged in the manufacture of implements for twenty-five years and in the manufacture of flour for nearly twenty years and speak from the standpoint of an interested and practical man.

MICHAEL D. HARTER.

MICROSCOPES.

(Paragraph 215.)

CLEVELAND, OHIO, *September 6, 1893.*

SIR: As a member of the medical profession, and too poor to appear in person, I would respectfully ask in writing if the duty on microscopes could not be greatly reduced, or still better, entirely abolished? We physicians are not so well off that we can enrich the manufacturers. Should thousands suffer to make one half dozen happy? Should the sick pay 65 per cent duty? Does it pay the Government to collect this tax?

Respectfully,

DR. CHR. SIHLER,
Professor of Histology, Medical Department,
Western Reserve University.

MUSICAL INSTRUMENTS.

(Paragraph 215.)

MUSICIANS' MUTUAL BENEFIT ASSOCIATION,
NATIONAL LEAGUE OF MUSICIANS,
St. Louis, Mo., September 14, 1893.

SIR: I would respectfully call your attention to inclosed resolution which places the professional musicians of the United States on record as opposed to that clause in the McKinley bill which puts musicians on the free list but compels them to pay duty on the tools they need to compete with the free pauper musical labor of Europe, Asia, Africa, Australia, and the Polynesian Islands.

Hoping this will have some weight with the committee in allowing musicians to be free to equip themselves with proper instruments to compete with free imported musical labor, I remain,

Very respectfully,

OWEN MILLER,
President.

SEC. 88, No. 6.—Whereas the McKinley bill places a high tariff upon musical instruments, that are as necessary to the musician as tools are to the mechanic; and

Whereas while the mechanic is protected by the alien contract-labor law against free trade in mechanics, while the musician is denied the protection of this law, and free trade in musicians continues unchecked; therefore

Resolved, that the National League of Musicians use every endeavor, through political action, to secure the repeal of that portion of the McKinley bill which places a duty upon musical instruments and supplies.

BICYCLES.

(Paragraph 215.)

POPE MANUFACTURING COMPANY,
Boston, Mass., September 16, 1893.

SIR: A number of manufacturers in the United States have requested me to present to your committee the reasons why there should be no immediate change made in the present tariff on these machines.

We believe there should be no reduction in the tariff on bicycles until the raw material is admitted free. There should be a sliding scale of duties, the articles representing the least and most unskilled labor to pay the lowest duties, while those things which require the largest amount of high cost labor to produce should have the highest duties to pay. Directly and indirectly there is a large amount paid to the Government by the manufacturers of bicycles. To illustrate this I submit a list of duties (which was sent to me from the Boston custom-house) paid on articles used by bicycle manufacturers and their employés.

The duty on steel, of which bicycles are largely constructed, is 45 per cent. As a rule they are manufactured in buildidgs made of brick; on this material the duty is $1.25 per ton. On the lumber used in the construction of these factories the duty is $2 per thousand. On the boilers and

engines the duty is 45 per cent. On the machinery which is used in the fabrication of bicycles the duty is 45 per cent. On the coal which furnishes the power the duty is 75 cents per ton. On the lumber of which the workmen's house is built there is a duty of $2 per thousand. On the woolen clothes he wears the duty is 50 per cent. On the food he eats, such as potatoes, apples, etc., the average duty is 25 cents per bushel. On the coal that warms him the duty is 75 cents per ton. In brief, it may be said that from the cradle to the grave the things he uses are subject to the tariff.

While we believe in the revision of the tariff, we think that such revision should begin at the bottom, the raw material, and not at the top, the high-cost finished article.

Respectfully yours,

ALBERT A. POPE,
President.

THIMBLES.

(Paragraph 215.)

UNION CITY THIMBLE COMPANY.
Union City, Conn., September 18, 1893.

SIR: We beg to say we are engaged in the manufacture of sewing thimbles—a staple article. Our chief competitors are Germany and England; and owing to conditions which exist over there, and which are perfectly well known to your honorable committee, the existing tariff has not in any way diminished the importation of these goods, and owing to the cheap labor and other conditions they are enabled to put their goods upon this market at a ridiculously low figure, and we have from time to time been compelled to reduce prices in order to meet foreign competition and to keep our factory running, which we have done for eight years absolutely without profit. Even with the aid of special and modern machinery we are unable to hold our own. New York importers get German and English thimbles (silver plated) put down in their store, including a tariff duty of 45 per cent and cost of packages and commissions, for 58 cents per gross of 12 dozen, while the wage cost of producing a gross of the same goods here is 75 per cent of this amount, leaving the balance for materials, rent, rates, and running expenses. Thimbles retail at from 3 to 5 cents each, bringing quite a handsome profit to the jobbers and retailers. To reduce the present tariff on thimbles will be to drive us out of business, and to maintain it will be almost its equivalent. What is needed is an increase of 30 per cent over and above the present tariff, and this we most strongly urge and advocate. The increase would not enhance the cost to the user one tittle.

Respectfully yours,

UNION CITY THIMBLE CO.
D. PRATT.

SHEARS.

(Paragraph 215.)

AMERICAN SHEAR MANUFACTURING ASSOCIATION.

NEW YORK, *September 20, 1893.*

SIR: The shear industry of the United States consists of two branches, (1) The manufacturers of cast shears, and (2) the manufacturers of "laid" shears, *i. e.* shears with malleable frames to which are welded steel blades.

This association includes the makers of laid shears only. Their product consists almost exclusively of shears of 6 inches and upwards. A few goods are made in 4 inches to 6 inches over all, but it is estimated that over 90 per cent of all the shears and scissors sold in the United States per annum are imported, the bulk coming from Germany. The imported goods include lace and embroidery scissors, nails scissors, buttonhole and pocket scisssors, ladies scissors, etc. The William Schollhorn Company, of New Haven, Conn., whose statement is submitted herewith, started a few years since to make small scissors in competition with the foreign goods, but are seriously considering to quit the manufacture of the scissors below 6-inch for the reason that under the present tariff of 45 per cent they can import for less money than they can manufacture here the same grade of goods.

The United States manufacturers are therefore almost shut out to-day from the manufacture of the line of small scissors, for which there is a very large demand. Realizing, however, that to enable them to compete successfully with the foreign-made scissors a large increase in duty would be required, they refrain from asking any higher rate than that now in force.

Of shears 6-inch and upwards, which are the stronghold of the United States makers, the leading size is 8-inch; they are made in larger sizes up to 16 inches, but the demand for lengths of upwards of 10 inches is comparatively small. All are laid goods, a process specially adapted to American methods of work.

Heretofore this process has been exclusively used by United States makers, but it is now being copied by German makers, who have sent men here to learn it. This enables the German maker to compete with the home producer, and we are now beginning to feel the foreign competition. Cutlery dealers who have formerly handled United States shears exclusively are now offering the imported shear. While it may not have gained a foothold, it has been imported in increasing quantities during the past few years, and the United States manufacturers feel that the stability of their industry is jeopardized.

In all there are thirteen shear manufacturers in this country, some being established in the West and some in the East. Several have been in existence over fifty years.

Their workmen have been trained at a great expenditure of time, as to learn the shear trade a long apprenticeship is required and skilled labor is a necessity.

Under the McKinley tariff the duty on cutlery was largely advanced; on shears, however, an advance was not asked for. The duty was established at 45 per cent, the same rate as on manufactures of iron and steel. The shear-makers now present their case, honestly fearing that any decline in duty would work to their injury. They have en-

deavored to show that foreign competition is so close to them that their industry is at present menaced, and that they are almost prevented from making the entire line of small scissors. They therefore earnestly request that no reduction in duty be made.

Yours, respectfully,

HENRY T. SEYMOUR,
Secretary.

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SCHEDULE D.

WOOD AND MANUFACTURES OF WOOD.

CHAIR CANE AND REEDS.

(Paragraph 229.)

NEW YORK, *September 25, 1893.*

SIRS: We submit the following in regard to chair cane and reeds:

Paragraph 770 of the act of 1883 provided for the free entry of "rattans and reeds unmanufactured." Paragraph 482 of said act prescribed a duty of 10 per cent on "rattans manufactured, but not made up into completed articles." Paragraph 646 of said act provided also for the free entry of "bamboo reeds no further manufactured than cut into lengths for walking sticks or canes or for sticks for umbrellas, parasols, or sunshades."

The United States circuit court, December 4, 1889 (40 Federal Reporter, 570), decided that round reeds wrought from rattan, being rattan with the outer cuticle only stripped off, and used as a raw material by hat-makers, carriage-makers, chair-makers, basket-makers, and whip-makers, were exempt from duty under the free list of the act of 1883 as unmanufactured reeds, the condition as a round reed being the same as nature produced it, except that its outer covering had been removed, and it being "in the first condition in which a reed as such is known to the tariff."

Many petitions by both importers, manufacturers, and dealers were made to the framers of the McKinley act to put their raw material on the free list, and in the act of 1890 it was provided in paragraph 518 that manufactures of rattans for hat-makers' use (hat reeds are wrought from rattans) should be exempt from duty; in paragraph 756, that reeds in the rough, or no further manufactured than cut into lengths suitable for sticks for umbrellas, parasols, sunshades, whips, or walking canes (whip reeds are wrought from rattan) should be exempt from duty; but in paragraph 229 it was provided that "chair canes or reeds wrought or manufactured from rattans or reeds, and whether round, square, or in any other shape," should be dutiable at 10 per cent ad valorem. The anomaly exists, therefore, in the present tariff that reeds for hat-makers' use and reeds for whip-makers' use are exempt from duty, while reeds for chair-makers', basket-makers', and carriage-makers' use are subject to 10 per cent duty.

One of the inconsistencies under the present tariff is the wording of paragraph 229, which the board of general appraisers render as reading "chair canes or chair reeds," on the theory that "any other rendering would lead to such absurd phraseology as reeds wrought or manufactured from reeds."

All these reeds are in every respect the same article wrought from rattan, except that the different industries use different sizes.

We inclose herewith a card showing samples of round reeds used for the various purposes above described and respectfully solicit, in the interest of the many consumers of these five classes of goods as well as of the importers and manufacturers, that you will correct the inconsistencies of the present act and put upon the free list of the coming tariff. Round reeds as raw material for the chair, carriage, and basket-makers, as well as permit to remain free of duty round reeds as raw material for hat-makers and whip-makers.

Very respectfully,

FOPPES & PARTISCH.

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SCHEDULE E.

SUGAR.

BEET SUGAR.

STATEMENT OF MR. HENRY T. OXNARD, OF GRAND ISLAND, NEBR.

TUESDAY, *September 19, 1893.*

Mr. CHAIRMAN: I appear here as president of the American Beet Sugar Association, in behalf of the retention of the bounty on sugar and against the repeal of the present sugar policy embraced in the several paragraphs of the tariff law enacted in 1890, which promised those who would invest their capital in this new agricultural industry that the bounty should remain until 1905.

Our position is that if Congress may arbitrarily repeal its usual enactments, it has no moral right to do so with this statute, because a definite time was fixed for it to operate, and as if to make that purpose plainer the appropriation to pay the bounty was purposely made continuing or permanent. We claim that the object of fixing a time in this law was to influence and to induce capital to embark in a new and somewhat hazardous agricultural industry, requiring for success large sums of money and great skill; the national purpose being to attain the production of a household necessity larger in amount than the tariff policy had theretofore produced, and so cheapen the price and render this country independent of the world for sugar.

It having been reported in public prints that this Congress would probably repeal this law, I ask the privilege of filing with this committee a protest in writing, and I also desire to place in the hands of the individual members of this committee a pamphlet embracing some suggestions on the "sugar problem," of which I trust the committee will avail itself.

With the permission of the committee I will proceed to give my views of this great industry, and will try to be as brief as possible.

As I understand it, a primary consideration which induced the enactment of the present law was that we were sending abroad for a product that we can as well produce here from $100,000,000 to $115,000,000 in gold annually. We have sent abroad for sugar in forty years nearly $2,250,000,000. This is an exhaustive and an unnecessary drain upon our people for an agricultural article the raw material for which we have both the soil and the climate to raise; and it has always been the policy of this and of all civilized nations to cherish and foster any agricultural product that promised so much for the people as sugar. We are the largest consumers of sugar in the world. Our consumption is about 63 pounds per capita. We produce only 10 per cent of the total amount consumed by our people, and we consume nearly one-third or 30 per cent of the world's product, and the effort making and the national object of the bounty law is to change this relation.

By wise and salutary enactments we have become exporters of cotton and tobacco; they have had liberal protection, and cotton requires some now; and we have become independent of the world for divers other agricultural products, and the part of wisdom, as well as the dic-

tates of true economy, suggest that sugar be included in the list, as it certainly will be unless it is sacrificed just at the moment when so much is promised, as these results fully attest:

Beet-sugar production.

	Tons.
1880	357
1890	2,800
1891	5,400
1892	12,355
1893 (Estimated)	25,000

Sugar must be regarded as an exceptional agricultural product, so recognized the world over. Unlike wheat or corn, it requires the investment of large capital, and great skill is requisite at all points, not only in the successful production of the raw material, but in producing the manufactured product as well; and yet if we produced of wheat only one-tenth of the home demand it would be wise, prudent, economical, and humane to encourage a larger supply by any reasonable means in our power. Very moderate capital is required to raise the ordinary agricultural crop, but with sugar the first outlay is heavy, and large amounts are being expended in divers ways to educate the American farmer that it is profitable to raise the raw material for sugar and that he can do it. For upwards of a century we had given cane sugar protection by a liberal tariff, which was found did not develop its production as rapidly as was desirable, and when the beet-sugar industry entered the field as a new factor it was deemed wise to give sugar a new and permanent form of protection and more of a stimulant; and relying on the honor and good faith of the Goverment, large sums of money have been invested and expended in this new industry. Results would seem to prove the wisdom of that legislation.

But for the most persistent attacks in some quarters for a repeal of the present law, the showing would have been still more flattering. But agitation has deterred the investment of capital in this industry in several States, notably in Iowa and in Washington, as well as in New York. These threats seem to be based on the theory that the law gives money to a class; but such is not its purpose. We must look at the object of the statute, which is for the general good of all the people and the national welfare; to keep millions of gold at home; insure a product at lower cost, and finally render us dependent on no other nation for sugar. If it happens that money is paid to those who risk and venture their capital in a new industry, that is but an incident attendant upon the main object sought to be accomplished. When the result is reached the incident attached will cease to operate as a bounty, and will no longer be necessary. We build a navy for the protection of our cities, for the national welfare, paying not only the cost of the vessels to Mr. Cramp, but royalties, bounties, or allowances are given him if his ships make a knot or more an hour more than is called for.

I deny that any considerable number of the American people would favor a repeal of this law if they fully understood its real purpose and its operation. I am led to venture this from a remark made by Mr. Bingham in 1890, then master of the National Grange, composed of 1,250,000 farmers. He said:

> I think our people would not favor a bounty on any commodity that we now produce in *sufficient quantities* to supply our people. There are many of them in favor of bounties; take for instance, sugar.

At the Trans-Mississippi Convention held at Ogden last spring, a convention composed of over 600 delegates from 22 States, a resolu-

tion passed, without opposition, against a repeal of the bounty form of protection for sugar.

A law of this kind can readily be made odious, and that is what is attempted to be done in this case. Under the old tariff policy the people paid a duty of, say, 53 to 60 millions annually on nine-tenths of the total amount of sugar that we consume; while under the present policy they pay but 2 cents a pound on the one-tenth only which we are able to produce. So that the people are not taxed nearly so heavily for sugar by the bounty form of protection, and they have saved from 1 to 2 cents a pound on the cost of their sugar since the bounty law was enacted. If prices have recently advanced it has been in consequence of short crops abroad, where we must purchase most of our sugar. The drought in Germany, and the short crop in Cuba, will raise the price of sugar here from one-half to three-quarters of a cent a pound, so that our people will pay, say, $20,000,000 more for sugar this fiscal year than they paid last, showing clearly the effect of any policy not calculated to render us independent of foreign countries for sugar, rendering us partners in the climatic misfortunes of foreign countries. Under the tariff on sugar the people would have paid at least $150,000,000 of tariff duties from the enactment of the bounty law; while since its operation they have paid but $25,000,000; and they have probably saved, by way of a lower price for sugar, over $150,000,000, enough of a saving in three years to pay the bounty for nearly the whole period.

The production of sugar is surrounded with many obstacles. The production of a sugar-beet crop is a new thing to the American farmer. The average agriculturist is slow to adopt a novelty, especially where more or less skill and increased labor is necessary; and it is tedious and expensive work to overcome this. A beet-sugar factory is not expected to be a paying success the first year either here or abroad. In fact it has been ascertained that three to four years will elapse before the community in which a factory is located adapts itself to the work of beet-raising. A loss ensues and the present bounty law will tide investors over this period. When the Government, therefore, gave us fifteen years we relied upon making up any losses in subsequent years consequent on this condition of things. To insure a sufficient amount of the raw material, the managers of beet-sugar plants have been forced to increase their offerings for beets, until the price to farmers has reached $5 per ton more than paid anywhere in the world; a point at which even small profits to the manufacturer have begun to disappear; but to educate the farmer and to get him interested in this new industry are prime necessities; and upon it, and upon Congress depend the future of this industry. Abroad, where the production of beet sugar has been going on for upwards of a century, this obstacle is not met, farmers being adepts at the business, and a beet crop has come to be there recognized as a part and parcel of the yearly products of a farm. Nothing is more important in the manufacture of anything than the supply of the raw material; but this is especially the case with beet sugar, because the expensive plant must have an annual "run" of at least sixty to seventy days to warrant the outlay of 3 to $750,000, which must lie idle about ten months in the year, which is not the case with other manufacturing plants. Here is a dead loss of the interest on the money invested for that length of time, and it is quite a serious consideration. Then, too, a large force of short-term labor is necessary that can not readily be obtained when most needed, as it can not be utilized when the crop is harvested, and knowing this, labor is reluctant

to engage with a knowledge that it is only for a few weeks. Another serious factor in the beet-sugar business is the cost of labor in the beet fields, which averages $1.50 a day; while in Europe the same labor gets only 20 to 40 cents a day.

Then, too, there is the value abroad of the by-products in the sugar-beet industry, which are almost a dead loss here as yet, whatever may be their value in the future. I refer to the pulp which is extensively fed to the cattle on the continent, because it is very fattening; worth there $1.25 a ton, given away here when 25 cents can not be obtained for it. Our farmers have not yet come to realize its real worth on the farm. Then we have the potash salts and the lime cake used abroad by farmers for fertilizing, and liberally paid for, while in this country it is an item of expense, as it must be hauled away to the factory. I speak of these things to show the advantages of the business abroad, but I have a lively hope that it will not be long before these by-products will be utilized, and they will probably be of sufficient account to warrant the expiration of the bounty by its own limitation. In other words, I am not one of those who have such a poor opinion of American enterprise as to think that a bounty will continue a necessity here in order to keep beet sugar on its feet.

Conditions will change in time, when our agriculturists have come to appreciate what these things signify in raising a beet crop and to the land when crops are rotated. They are existing conditions and disadvantages, however, which the home beet-sugar interest will overcome as education in the new work gradually permeates communities where factories may be located. Another consideration is this: Abroad, the molasses, from factories scattered all over the country, is sent to some central factory, which can thus afford, by special and expensive process, to work out the sugar it contains, while we are not yet able to do this; and this entails a loss that goes with many others to warrant liberal support from the Government for a reasonable time.

Labor, here in the factory as in the field, is twice as expensive in producing sugar from a ton of beets as it is abroad. Large quantities of coal, charcoal, limestone, bagging, and paper barrels are necessary, to produce which gives employment to a large number of men at remunerative wages, increasing the number of consumers with advantage to producers. Transportation to and from the factories is heavy, bulky, and expensive.

These are some of the obstacles to overcome. Abroad for upward of a century the sugar industry has been carefully fostered by heavy bounties; but having gained a solid footing the governments of France and Germany—while keeping a watchful eye on the matter—have been gradually withdrawing some of the very liberal protection that amounted, according to Consul Mason (Report 137, page 214), in 1890 in Germany to $17,389,000, and for six months in 1891 to $10,341,000.

But with the obstacles enumerated to overcome in this country, no *new* industry, like that of beet sugar, can hope to compete with the old and well-established business on the continent that has been fostered and cherished for so long a time, unless we are given help; the aid, in fact, *that was promised us, and on the faith of which* we had a right to rely, and on which so much has been expended.

We indignantly repudiate the idea that politics can fairly enter into this matter. It is a mutual financial business venture for a term of years, and it should be treated as such and not thrown into the vortex *of political complications.* To leave the subject out of politics would

meet the suggestion contained in the report of Mr. Secretary Walker in 1845.

The sugar producers here have more than enough to contend with in the natural advantages possessed in Cuba and the colonies, and in the education of farmers abroad, and the export or other bounties there paid the manufacturers. We surely ought not to be met with resistance, indifference, or worse than all, repeal at home, involving as it would a breach of national good faith.

Is it to be expected that our sugar farmers can successfully contend with both bounties and high tariffs abroad, and the settled conditions there? As Consul Mason well says, it remains to be proved whether we can hold our own in the face of the things enumerated, and the fierce competition so rapidly developing in other countries; and he concludes that the risk here is on the part of firms and individuals who are erecting expensive plants, and he could have added, who have made contracts for raw material running far into the future, in the full confidence that the present law was permanent, even if the policy could be said to be somewhat experimental.

I have made contracts, for instance, extending eight to ten years into the future, depending, as I had a right to, on the good faith and honor of this Government to maintain the bounty policy, which it did not adopt for me, nor for a class, but as a great national policy for a national object. I have one contract with Mr. Gird, of California, to raise me annually a certain tonnage of beets for the Chino factory. It runs until 1896, and this contract was based on the bounty law, because without it Chino will go to the wall. I have another contract with the Union Pacific Railroad Company. I went to that road and said, "I have a contract with the Government running until 1905, and I must know exactly where I stand if I engage in this new industry; and I want to know what you can do to aid me." The road answered that it was not in the habit of making terms, but on reflection it was thought to be for its own interest, as well as that of Nebraska, for us to enter into some reciprocal arrangement, based on my consent to invest a million or more of dollars in the State and on the line of its road and a feeder. The contract entered into was ratified by the board of directors, and it requires me to operate my Grand Island factory at least thirty days in a year, which I can not do if this law is repealed. But I have as much right to violate my contract, I apprehend, as the Government has to repudiate its agreements held out to entice capital into new enterprises.

The editor of a great French journal, The Journal of Manufacture of Sugar of Paris, under date of May, 1893, notices the proposed attack on the present law, and says:

> I can not say too strongly that the sugar manufactories of the United States have accepted in good faith the bounty law given on the pledge of the United States, and have established the industry based on the terms of that law, and to now modify unjustly this law would be committing a crying injustice toward them. It is certain that any one who suggests this idea is acting as a theorist and not taking into account the results accomplished.

In another article, however, in the same paper, the editor warns his subscribers not to be too hasty in assuming that the people of the United States will give up the bounty policy and destroy an industry which was threatening to overcome the monopoly which Germany and France have held for ten or fifteen years.

Prof. Wiley, who has given deep study to all the phases of the sugar

question, adverts to one of the obstacles pointed out by me a few moments ago. He says:

> There will probably be found for years to come more enthusiasm in the United States than knowledge connected with the beet-sugar industry, and the result of this will be that unless great care is taken many ventures will be made which will result in financial disaster. The great problem in this country is the agricultural one, the selection of suitable soil, the finding of proper climatic conditions, and instructions in planting, cultivating, and harvesting beets are all of vital importance. If the sugar beet industry is to succeed in this country it must come from sharp competition with the same industry in older countries, where its conditions are better understood and where the localities suited to it have been selected by long and *costly* experience. It must also compete with the free cane industry in the tropics, and with the cheap labor and thorough knowledge there possessed.

There is, he says, within the whole range of agriculture, no crop more difficult to produce than a crop of beets, suitable for sugar. He concludes by saying that, with a wise and careful encouragement of the industry, he has no hesitation in saying that the prospects for the development of indigenous sugar industry are decidedly bright. In this he agrees with those who, possessed of knowledge of sugar production abroad, and of capital, have investigated and invested in the business.

Having the soil, the climate, the capital, and the energy necessary to make the beet sugar industry a success, there is no reason why we should be long dependent on foreign governments for sugar. There are financial and other weighty reasons why we should not be. For instance, only a year ago, during the visitation of cholera in the lower bay at New York, when the avenue for the importation of sugar from Hamburg was shut, the price of sugar suddenly increased nearly three-quarters of a cent a pound, and this continued six weeks. The Cuban producers, seeing the plight we were in, put the extra price on their sugar to us, which the refiners paid and, in turn, saddled on our people. Here was the sum of $4,000,000 transferred from the pocket of the American consumers to the pocket of the Cuban producers, in the short space of, say, fifty days; and this was so, simply because we were at the mercy of a foreign country for an article of daily necessity which we did not, but can, produce at home in sufficient quantities for home consumption; and I believe that in case of a European war between the beet-sugar producing countries of Europe, which is not only a possibility, but a strong probability, owing to the decreased production in those countries during a period of stagnation resulting from war, we would have to pay, by way of increased price for sugar, in two years, more than would liquidate the total bounty that would be due during the balance of this century.

In brief, this is a national, economic, or purely business question, and if we are to succeed in pushing it to the point of producing all the sugar now consumed in the United States, which is the real object aimed at, it must be treated as a business proposition, pure and simple, and in the very nature of things partisanship must be eschewed, party theories overthrown, and the matter taken up and considered from the standpoint which any great business matter occupies in the financial world. It is my firm conviction and honest belief that unless a broad, liberal, and permanent policy is maintained we might as well abandon the hope of ever being able to establish the sugar industry in the United States.

Mr. TURNER. What do you mean by a permanent policy?

Mr. OXNARD. I understand a policy such as framed by the Fifty-first Congress, which gives us fifteen years and tells us that we can go ahead

and make our arrangements to produce sugar and invest our money and build up the industry for that period of years, and that at the end of that time they will drop the bridge down if we have not succeeded.

Mr. TURNER. You do not mean a permanent policy?

Mr. OXNARD. I mean permanent for a series of years.

Mr. TURNER. You mean the period covered by the act of 1890?

Mr. OXNARD. Yes, sir; that is the present law.

Mr. TURNER. The chairman suggests a toutine policy.

Mr. OXNARD. If there are no other questions I will let another gentleman say something on this subject.

The CHAIRMAN. On the little boxes which you have placed before us you say that the output of factory for 1892 was 3,500,000 pounds; is that the factory you represent?

Mr. OXNARD. Yes, sir; but that is not the actual product. The World's Fair Commissioner got up those boxes; we do not produce that amount of sugar.

The CHAIRMAN, What is the present beet-sugar production?

Mr. OXNARD. Last year it was about 12,000 tons and this year it will be about 25,000 tons, or about one-eighth of the output of Louisiana, and that has been accomplished in three years.

The CHAIRMAN. Where is your sugar produced?

Mr. OXNARD. It is produced in Nebraska, California, and Utah at present, with a factory in Staunton, Va: But while the area of cane is limited to a few States the area of beets is practically unlimited. We thought at one time the Southern States were not well adapted, and it was generally supposed so, to the beet culture, but I can say from personal experience the southern part of this country gives as good results as anywhere, probably the best; southern California, I am speaking particularly of. It is really unlimited. I do not suppose there is a State in the Union that can not produce the sugar beet, in time, profitably to manufacture sugar from it. Some of them are better than others, but all of them can do it.

The CHAIRMAN. How many beets do you consume in your factory?

Mr. OXNARD. There are various amounts in various factories, but I would take an average factory and say 300 tons of beets every day.

The CHAIRMAN. Are they raised in the neighborhood?

Mr. OXNARD. Yes, sir; they are raised by the farmers, chiefly in the neighborhood, and ought to be raised within 5 miles of the factory in small quantities, say five acres, which is about all a farmer should take, on account of the cultivation of the soil. The farmer has to plow deep in the fall and get his land in condition, and the rule is to get ready two years before and put his seed in and grow a crop and get the best results in the next crop. The great advantage in Europe is this: they have found there in cultivating sugar beets that succeeding crops are increased all the way from 25 to 35 per cent. Take, for instance, wheat—Germany could not raise wheat at one time as it did not pay, but with the beet crop they could do it after a careful preparation of the soil, and all of that; so that really you might say this bounty gives a small bounty on succeeding crops, whether wheat, corn, or anything else, inasmuch as the farmers get so much more after it.

Mr. TURNER. Are these other figures on these boxes reliable?

Mr. OXNARD. Some of them are not and some are.

Mr. TURNER. Take this statement of the average yield being 15 tons per acre, is that correct?

Mr. OXNARD. No, that is a little in excess, but that is what it ought to be. In some places you can raise as much as 20 and 22 tons. I know

of a case of a farmer in California where this year, on 45 acres, he is going to make a profit of $3,100.

Mr. TURNER. It is stated in this statement that a ton produces 200 pounds of granulated sugar, is that correct?

Mr. OXNARD. That is also a fictitious figure. On the average, in the factory I have worked the longest, which is this factory, it will average 165 pounds.

Mr. TURNER. Where did you acquire your experience in this business? Did you learn it on the other side?

Mr. OXNARD. No, I have been connected with the sugar industry all my life, and studied it over in Germany, Austria, and have been manufacturing sugar for a long time; I commenced to study for it when I was at school.

Mr. TURNER. You mean beet sugar?

Mr. OXNARD. Yes, sir.

Mr. TURNER. Not cane sugar?

Mr. OXNARD. I have also looked into that as they go together, but have not made it such a specialty as the beet sugar.

Mr. TURNER. What is your process of extracting it?

Mr. OXNARD. By diffusion and carbonation. Let me say one thing, the beet-sugar industry has only become a great factor in the supply of the world's sugar within the last 15 years. Previous to that the cane sugar was on top, but the science of Europe has been developing it, and has been producing more sugar in the beet itself. For instance, in 1878 the beet contained at an average only 9 per cent of sugar; that is to say, only 9 per cent of the total weight was sugar. Now, in 1891 or 1892, the average of Europe was 14 per cent, a gain of 5 per cent. It is a biennial, growing the seed the second year. They select the richest beet in sugar for mothers. There is $15,000,000 invested in that business in Europe. We have been getting our seed from Europe. We have tried to raise the seed here, and I have succeeded in producing a better beet seed than Europe, in Nebraska, which will give from 1 to 2 per cent more sugar, but I have only done it on a small scale, but there is no reason why it should not be done on a large scale.

Mr. PAYNE. What per cent do you get?

Mr. OXNARD. From this particular seed we get 16 per cent.

Mr. PAYNE. What is the average per cent of them?

Mr. OXNARD. About 14.07.

Mr. TURNER. What do the farmers in the neighborhood of your mill usually produce; what are the crops?

Mr. OXNARD. Corn, wheat, oats, and such crops, but it does not pay them very well; that is, those other crops, and they are only too anxious to get hold of us to built beet factories. They welcome us when we go out there. You can get the farmers to guarantee a full supply of raw material, but as a matter of fact that guaranty does not hold, as it takes time to raise these beets.

Mr. TURNER. What does this yield them, at say 15 tons to the acre?

Mr. OXNARD. We pay $5 a ton.

Mr. TURNER. You pay $5 a ton; that would be $75 for an acre?

Mr. OXNARD. Yes, sir.

Mr. TURNER. Now, if the 15 tons gives a yield of 200 pounds to the ton it makes 3,000 pounds of sugar.

Mr. OXNARD. But it does not——

Mr. TURNER. Wait a moment. Taking these figures on these boxes,

which you may correct, at 2 cents a pound, that would make $60 for the bounty on beet sugar for which you pay only $75?

Mr. OXNARD. If those figures were correct that would be so, with additional considerations; but they are not correct.

Mr. TURNER. Now state wherein they are not.

Mr. OXNARD. We only get 164 pounds—to be accurate—to the ton, instead of 200.

Mr. TURNER. Take it on that basis then.

Mr. OXNARD. Yes, sir. If you want to get the cost of the manufacture of sugar——

Mr. TURNER. I will get to that in a moment. If I make any mistake you can correct it. It makes the yield for the 15 tons 2,460 pounds, and sometimes, you say, it yields less than that and sometimes more.

Mr. OXNARD. Yes; that is not the average, however.

Mr. GEAR. You get $49 bounty?

Mr. TURNER. Forty-nine dollars and twenty cents bounty, and you pay to the farmer for the same quantity of beets $75; is that correct?

Mr. OXNARD. Yes, sir; by those figures of yours it is correct if you figured it out correctly, but it is not the way to arrive at this thing. It is to figure out what you pay for the beets and the cost of manufacturing those beets into sugar, and divide that by the number of pounds obtained, and that would give you the cost of the product.

Mr. TURNER. Suppose you make the calculation in your own way.

Mr. OXNARD. I make it cost over 5 cents, and the average price obtained by us for the last three years is no more than about, say 4½ cents.

Mr. TURNER. In the 5 cents you estimate to be the cost of sugar, do you deduct from that the bounty you get from the Government?

Mr. OXNARD. No; that is not included in the cost.

Mr. TURNER. Is it deducted from the cost in the estimate you have just given?.

Mr. OXNARD. Yes, sir; it is deducted, the bounty is not included in that.

Mr. TURNER. It costs you 5 cents after you get the bounty?

Mr. OXNARD. No; it cost 5 cents without reference to the bounty whatsoever.

Mr. TURNER. Taking the bounty off it would be 3 cents?

Mr. OXNARD. It would be about 3 to 3½ cents.

Mr. TURNER. And you sell it at 4½ cents a pound?

Mr. OXNARD. Yes, sir.

Mr. TURNER. That is a profit of 50 per cent?

Mr. OXNARD. No, as a matter of fact it is not.

Mr. TURNER. This is a cent and a half on 3 cents, is not that a fair profit in these hard times?

Mr. OXNARD. You do not make anything like that. Just to explain it——

Mr. TURNER. Certainly, that is due to you.

Mr. OXNARD. As a matter of fact it costs over 5 cents to produce the sugar—I think it is a little more than 5 cents, but for the sake of argument we will say 5 cents, and the bounty amounts to 2 cents, and you sell that product for 4½ cents, which leaves you with the bounty 1½ cents, but in reality it leaves you a profit, I compute, of about 1 cent, but these factories make about 50,000 pounds of sugar a day, and at 1 cent a pound that would be $500 a day profit. Now, if they were to run say 80 days, that would be about $40,000 profit, which does not

count in your wear and tear of machinery on which there is an investment of half a million dollars; you have got to take off 5 per cent for wear and tear of materials, insurance, taxes, etc., so really, when you get to foot it up, there is not much in it; there has been no profit in the factory.

Mr. TURNER. You have an apparent profit of 50 per cent?

Mr. OXNARD. No, sir; an apparent profit of a cent and a half, or less than 30 per cent, which is really fictitious.

Mr. TURNER. And the sugar, you state, costs 5 cents?

Mr. OXNARD. I am looking at the profit on investment. As my investment only runs during the three months at the outside in a year, I have to make 5 or six times as much in that time to pay while that factory is idle, and all sugar factories have to do the same thing. And you must remember that the 5 cents does not include cost of factory and repairs during idle season, which amounts to say 1 cent more per pound and is chargeable to cost of manufacture.

Mr. TURNER. In fact, assuming the cost to be 5 cents, the Government pays 2 cents of your cost for you?

Mr. OXNARD. The Government pays 2 cents on that cost.

Mr. TURNER. I make the result which I have stated before. Have you any by-product?

Mr. OXNARD. No, sir; it does not amount to anything. We throw our by-products, our pulp and molasses, away. In Europe this would be valuable and would be worth a cent a pound in a beet-sugar factory in Europe. We do nothing with them and have no demand. We hope one day we will have.

Mr. TURNER. What do you do with the molasses now?

Mr. OXNARD. We do practically nothing, we sell a little of it if we can, to make vinegar out of it, and we sell a few tons of pulp for 25 cents, but it does not amount to anything. It can be considered *nil* in the receipts of the factory.

Mr. Chairman, I would like to have some other gentleman address you, because there are three or four factories represented here.

Mr. TURNER. Are you connected with the Oxnard factory at Brooklyn?

Mr. OXNARD. No, sir.

Mr. PAYNE. You say your capital invested is half a million dollars, on which there is an *apparent* profit of $40,000 a year.

Mr. OXNARD. Yes, sir.

Mr. PAYNE. That does not take into consideration any wear and tear of the machinery, insurance, taxes, etc.?

Mr. OXNARD. No, sir.

Mr. PAYNE. What percentage of the total value is that a year?

Mr. OXNARD. As these factories only run two or three months in the year I should say you should take off 5 per cent; some take off 10 per cent.

Mr. PAYNE. Would that be fair?

Mr. OXNARD. No; I think once in every fifteen years you have to renew all your machinery.

Mr. GEAR. You have two factories, one at Grand Island and one at Norfolk?

Mr. OXNARD. Yes, sir; and one in southern California.

Mr. GEAR. It is fairly remunerative to the farmers?

Mr. OXNARD. Yes, sir.

Mr. GEAR. Better than corn or wheat?

Mr. OXNARD. Better than anything of the kind.

Mr. GEAR. If you could use your by-products as in Europe could you dispense with nearly all this bounty?

Mr. OXNARD. I think we could dispense with the bounty entirely. Then another thing. We have to bring skilled labor a great distance to work in these factories. These men are skilled and you have to pay them all the year around or else they will leave.

Mr. GEAR. Your chemist is generally a high-priced man?

Mr. OXNARD. Yes, sir; very; and our superintendent gets $5,000 a year, one man only.

Mr. GEAR. You have no doubt there is a vast area of country in the United States running from State to State and ocean to ocean that is able to produce the beet?

Mr. OXNARD. And the Government sends out seeds and has sent for several years and analyzed the beet, and I think in nearly all of the States of the Union they find that they can raise sugar beets.

Mr. GEAR. It is proven by fact that they can raise them even by irrigation in Utah?

Mr. OXNARD. Yes, sir: there is a gentleman who will speak about that.

Mr. GEAR. You make all of this sugar direct in your factory?

Mr. OXNARD. Yes, sir.

Mr. GEAR. There is no outside refining, you do not send it to a refinery?

Mr. OXNARD. No, sir.

Mr. GEAR. You find your market in the neighborhood of the mills?

Mr. OXNARD. Yes, sir; right on the Missouri River.

Mr. GEAR. You spoke about capital having been arranged in some other States for this product, which will be stopped?

Mr. OXNARD. There is a gentleman here who was making arrangements for a coöperative factory, where the men who raise the beets themselves are to be the manufacturers of those beets.

Mr. GEAR. I know there were one or two manufactories arranged for in my State.

Mr. OXNARD. There were two in your State.

Mr. GEAR. One at Muscatine?

Mr. OXNARD. Yes, sir.

Mr. GEAR. I understand the quality of the beets there is extremely fine.

Mr. OXNARD. They are very good.

Mr. GEAR. The reason that factory was not started was the threat of repealing this bounty?

Mr. OXNARD. Absolutely so. One of the gentlemen connected with it told me if it were not for that he would get ready and go ahead.

Mr. GEAR. A local capital of from $50,000 to $100,000 was all provided for, as I happened to know, and it went up on this proposed threat to repeal the bounty?

Mr. OXNARD. Yes, sir.

Mr. GEAR. Did not the gentlemen who went into these factories consider it, morally speaking, an absolute contract on the part of the Government to foster this industry?

Mr. OXNARD. If there had been any doubt about that we would never have gone ahead. If this thing is changed there will be more factories sold——

Mr. GEAR. You can not run a factory without it?

Mr. OXNARD. No, not the first year.

Mr. GEAR. You will have to shut up?

Mr. OXNARD. We will, without a doubt.

Mr. GEAR. Is the industry popular with the farmers of Nebraska?

Mr. OXNARD. In the whole State they have held conventions, they have held three or four, and they say they want to develop the industry. This Ogden meeting reflected the sentiment of the people, and there were 600 delegates, and it passed unanimously without one dissenting vote, or I think there was only one dissenting vote, requesting the Government not to touch the sugar bounty law

Mr. BYNUM. You spoke of gold being sent out to pay for sugar?

Mr. OXNARD. Yes, sir.

Mr. BYNUM. How much did you mention?

Mr. OXNARD. One hundred million dollars.

Mr. BYNUM. When was it sent out?

Mr. OXNARD. Last year.

Mr. BYNUM. To what countries?

Mr. OXNARD. Cuba, Germany, every sugar-producing country there is.

Mr. BYNUM. How much sugar did Cuba send us?

Mr. OXNARD. I have not got the figures separated.

Mr. BYNUM. Was not that bounty sent out in exchange paid to our farmers for wheat and meat products—it was not sent in gold at all, was it?

Mr. OXNARD. I think it was.

The CHAIRMAN. I have it stated here. We bought from Cuba last year about $61,000,000 worth of sugar, and we sent Cuba of our own currency $311,400, and $6,637,000 of foreign coin.

Mr. OXNARD. I do not know anything about that, but that reciprocity with Cuba was based on this bounty law; when the tariff was taken away from this industry and it was singled out and in return for it a permanent contract was made——

Mr. BYNUM. But that is not the question. You asserted we sent out gold, and I want to call your attention to the fact we have not done anything of the kind.

Mr. PAYNE. The exchanges with these different countries were all made through London?

Mr. OXNARD. That is what I supposed.

Mr. PAYNE. And if we did not export more than we imported of course we have to pay that balance in gold?

Mr. OXNARD. Yes, sir.

Mr. GEAR. You do not mean to be construed that we send the gold?

Mr. OXNARD. Why, no; I just used that phrase.

Mr. PAYNE. You thought the Ways and Means Committee would understand it?

Mr. OXNARD. Yes, sir; I thought you would know about it.

Mr. BRYAN. Under intelligent cultivation and with reasonable care, how many tons of sugar beets can be produced from one acre of ground?

Mr. OXNARD. About 14 tons.

Mr. BRYAN. How many pounds of sugar can be secured from a ton of beets?

Mr. OXNARD. About 164.

Mr. BRYAN. At what price can sugar be produced by your factories in Nebraska and California, excluding bounty?

Mr. OXNARD. About 5.4 cents per pound on the average, without counting expenses of idle season.

Mr. BRYAN. At what price can sugar be imported without a tariff?

Mr. OXNARD. Competing sugar sells at about 4½ cents.

Mr. BRYAN. If you answer that you can produce sugar within 2 cents of the price of sugar imported without duty, state why you tried to retain an additional bounty of 1 cent in the State of Nebraska?

Mr. OXNARD. Because I had to spend three times the amount of bounty in educating the farmers.

Mr. BRYAN. State the lowest bounty or tariff under which, in your judgment, your industry could exist.

Mr. OXNARD. I believe 2 cents, but would hope to succeed and keep the factories running with much less after a few years.

Mr. BRYAN. About how much have the companies to which you belong expended in trying to secure bounties or tariffs, State and national?

Mr. OXNARD. I can't answer that question.

Mr. BRYAN. Is it true that you contributed money and tried to defeat for reëlection candidates for the legislature who had voted against State bounty on sugar and those who refused to promise to vote for bounties?

Mr. OXNARD. No.

Mr. BRYAN. Is it true that you used your influence to defeat for Congress in the Third and Fifth Nebraska districts candidates who would not promise to favor a national bounty or tariff on sugar?

Mr. OXNARD. No.

Mr. BRYAN. Did you contribute any money to be used in the Congressional campaigns of Nebraska in 1892 outside of the Third and Fifth districts?

Mr. OXNARD. No.

Mr. BRYAN. How much time has been spent by representatives of your companies in attendance upon State and national legislatures trying to secure bounties to, or protective tariffs on, sugar?

Mr. OXNARD. Considerable time in trying to educate the legislative members to understand the industry.

Mr. BRYAN. How many acres are employed in raising beets for your Nebraska factories this year, and of the total number of acres employed, how many are cultivated by your companies?

Mr. OXNARD. About 5,700 acres in both factories; about 1,800 acres cultivated by us.

Mr. BRYAN. How much did you save by the rebate of the tariff on machinery?

Mr. OXNARD. About $90,000 in our three factories, but the rebate law was only in existence two years. Now we have to pay a tariff of 45 per cent. We import machinery.

Mr. BRYAN. In case you buy homemade machinery, is it higher priced because of the tariff?

Mr. OXNARD. Yes, without a doubt.

AVERAGE COST OF BEET SUGAR.

SIR: I take pleasure in submitting for the consideration of the committee the following figures to show the actual cost of producing a pound of beet sugar, based on the average cost of production at the Grand Island factory, taken from the books of the company. I also compare these figures with those of a factory of like capacity in France, the latter figures being based on an average cost of the production of sugar for six years.

Truly yours,

HENRY T. OXNARD,
President Oxnard Beet-Sugar Company, Grand Island, Nebr.

Grand Island factory in Nebraska.—Expenses per ton of beets.

Beets	$5.00
Coal	.80
Coke	.18
Limestone	.15
Labor	1.57
Lighting	.07
Bags	.20
Mechanical filter bags	.02
Mechanical filter cloths	.04
Oil and grease	.04
Sundry operating expenses	.17
Commission on sales	.04
Discount	.42
Freight on material	.24
Maintenance and repair of factory during idle season of ten months in a year, with taxes and insurance on same	1.87
	10.81
Average yield of sugar per ton of beets ..... pounds..	165
Cost per pound ..... cents..	.6½
Average selling price ..... do....	.4½

In 1892 the actual cost of production was 6 cents; in 1891, cost 6½ cents; in 1890, cost 7 cents. Showing that in three years I have reduced the cost of production 1 cent per pound in this factory.

Last year my books showed a profit of one-half cent a pound including the bounty; whereas in 1890 in the same factory my books showed a loss of one-half cent a pound including the bounty. This year I hope to still further reduce the cost of production.

A profit of 1 cent a pound on 165 pounds to the ton would be $1.65 per ton. The capacity of our Grand Island factory being 300 tons per day the result would be $495 per day, or say $500 per day for 100 days, $50,000, less 5 per cent for wear and tear, $25,000 on a $500,000 investment, and for sinking fund to replace machinery at end of ten to fifteen years, would leave $25,000, which is only 5 per cent on capital invested.

So far we have made only losses but I hope this year, the fourth, to make for the first time 6 per cent on the capital. This is a true statement and history of the operations of the Grand Island factory, and the experience of other factories in the United States demonstrates the fact that this new industry requires liberal encouragement for a few years to get it upon a firm footing. I hope to be able, when I can market my by-product, to produce sugar at least 2 cents a pound cheaper, and so be able to finally do away with all governmental encouragement, which, however, is absolutely necessary during the first stages of this industry in the United States.

Bresles factory in France.—Expenses per ton of beets.

Beets	$4.00
Coal	.51
Coke and limestone	.24
Labor	.50
Lighting	.03
Bone black	.04
Commission on sales	.06
Oil and grease	.03
General expenses	.16
Freights	.08
Maintenance, repairs, insurance, etc., during idle season	.80
Total France	6.45
Total America	10.81

SIR: On behalf of and as president of the American Beet Sugar Association I most respectfully enter firm protest against a repeal of paragraphs 231 to 241, both inclusive, known as the sugar-bounty paragraphs of the tariff act of 1890.

First, because those provisions of said act and the appropriation to execute the same were made continuing and permanent until July 1, 1905, for good and sufficient reasons, intended to benefit the nation, and eventually render 65,000,000 of people independent of the world for sugar, an agricultural product for which this country now sends abroad annually over $100,000,000 in gold, which is an exhaustive drain that will go on increasing with increase of population and per capita of consumption of sugar if Congress imperils the sugar industry by destructive legislation.

Second, because the aforesaid sugar paragraphs in the tariff act of 1890 amount to a contract, and its provisions have been accepted and acted upon in good faith, and their repeal would disturb vested rights and individual contracts running into the future, entered into on the plighted faith of the Government to maintain the law until 1905. (See Calder, appellant, *vs.* Henderson, U. S. circuit court of appeals, in Louisiana, decided November, 1892.)

Third, because the bounty provisions enumerated operated, and were intended to operate, as an inducement to investors, promising that if capitalists would more liberally embark their money in a somewhat hazardous business, the law should remain for a fixed and definite period.

Fourth, because Congress has not the moral right to violate its own plighted faith, and the honor of the nation, to reach an economic idea or result which may or may not be dictated by partisanship.

Fifth, because the sugar-bounty law untaxes about nine-tenths, if not the total amount, of the sugar now consumed by the American people, relieving them of over $50,000,000 of tariff tax annually, in consideration of which they now pay only $10,000,000 annually by way of bounty. The bounty form of protection is a relief to taxpayers, and promises great financial saving and agricultural gain to the nation.

Sixth, because unless the full equivalent of the bounty law is given, the domestic sugar industry will languish, if not perish, and millions of capital will be lost, leaving this country at the mercy of foreign powers, which would be perilous and un-American, while giving foreign governments the power to fix the price of sugar—an agricultural product which can as well be produced here as abroad.

Seventh, if it be claimed, as is reported, that the law is unconstitutional, it is not the province of Congress to decide that question. It belongs to the judicial branch. There is not only high legal authority against the soundness of this contention but the onus has been on the Government to sustain that view. It has had the whole power and machinery of the Government to test the question and it has failed to do so or to even make the attempt. As Mr. Edward Atkinson well says, the bounty paid can be secured by a temporary duty on coffee, pending the test of the lawfulness of the bounty, in a suit which can be brought.

Eighth, by the construction of the sugar paragraphs and because of the permanency of the appropriation or promise to pay the bounty annually, the question has passed into the domain of public honor, and beyond any fair exercise of the power of political parties, and out of the arena of partisanship.

HENRY T. OXNARD,
President American Beet Sugar Association.

BEET SUGAR.

Schedule E.

STATEMENT OF MR. THOMAS R. CUTLER, OF LEHIGH, UTAH.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I believe Mr. Oxnard has covered the ground in a general way. I have the honor to represent the Lehigh Utah factory, which has been built by American machinery, and I think it is the first factory in the United States for the manufacture of beet sugar that has been built through American labor.

Mr. GEAR. I would like to ask you a question right there. I have a letter from a gentleman of your State, in which he stated that that was better adapted really than foreign machinery or equally as good.

Mr. CUTLER. We think so. In behalf of the farmers of that section of the country, who have a very poor market for their produce, we have been for the last two years manufacturing sugar from beets cultivated by irrigation; also the first beets that have been ever raised in that way. Some people said that beets can not properly be raised under the irrigation system. I am able to refute that to-day, and claim that in the extreme west, including California, there is a very large amount of land that will produce beets by irrigation. Further than this, in the interior we are at the mercy of the railroads. We can not get our wheat to the Eastern market for less than 50 cents per 100 pounds. The result is that our farmers to-day have no market for their produce, and are unable to a certain extent to meet their obligations unless we produce something that will give them money. We have in the last two seasons paid the farmers in the vicinity of the plant about $125,000 in money, produced on land which, if it had been in wheat, oats, or barley, or anything indigenous to that section, would have produced only about one-fourth of that amount. The profit of the farmers has been at least $30,000 in comparison to about $10,000, which would have been raised on the same land.

It has been stated by Mr. Oxnard in regard to the wages. In regard to building factories, in consequence of the agitation retarding their building and equipment and the employment of capital, I have particular reasons to know. I was in New York a year ago endeavoring to bond the factory, and this question was brought up of agitation of the bounty system, and it was impossible to do anything of the kind because they said such a thing might be done, the bounty might be destroyed, and a tariff might not be popular on sugar. Now, it is an actual fact that since the bounty has been given for the production of these factories that the price of sugar to us, at least, has been 2 cents a pound lower than ever previous. I am speaking now about the aggregate. There are many other things that might be brought, but the chairman has reminded me, however, that your time is limited, and I shall prefer to answer any questions put to me. I did not come here prepared to make an argument, but will be very pleased to answer any questions which may be put to me to the best of my ability.

Mr. TURNER. The farmers in your vicinity are engaged in the cultivation of these beets?

Mr. CUTLER. Yes, sir.

Mr. TURNER. What is the yield per acre in your country?

Mr. CUTLER. I should say it is about 12 tons; that has been the average for the last year.

Mr. TURNER. How much do you pay the farmer for them?

Mr. CUTLER. Five dollars per ton.

Mr. TURNER. How much would 12 tons produce of granulated sugar?

Mr. CUTLER. The first year 110 pounds, and last year they averaged 145 pounds. We hope for better results this year. We only produced 10,000 tons of beets the first year, and owing to the drought and scarcity of water 10,000 tons last year, but they were richer in sugar. It takes several years to acclimate them and get the soil used to the culture of beets and also to get rid of salt and minerals in the soil.

Mr. TURNER. How much expense attends the cultivation of beets; how much does it cost the farmer to produce the beet?

Mr. CUTLER. The first year about $40; last year $35, and this year we have gotten down to about $31 per acre.

Mr. TURNER. Indulge me a moment. Assuming your statement to be correct, that you get 12 tons from the acre and 145 pounds to the ton, which produced an aggregate yield to the acre of 1,744 pounds, if I make no mistake; that, at 2 cents a pound for bounty, would make $34.80 that you get in bounty from the Government on the product of that acre in sugar.

Mr. CUTLER. Yes, sir.

Mr. TURNER. You pay the farmer $5 a ton for it?

Mr. CUTLER. Yes, sir.

Mr. TURNER. That would make $60 an acre that you pay for it to the farmer, and you get $34.80 bounty, and the farmer paid $31 for the culture last year?

Mr. CUTLER. If you will excuse me, last year was $35.

Mr. TURNER. You get more in bounty than goes to the farmer in producing the beet. Taking the $31 off, what you pay him for the beets, he gets $29 for profit on beets; is not that about what he makes?

Mr. CUTLER. Yes, sir; he will make about that on the average. It has cost us in the last three campaigns $60,000 to educate farmers to the condition they are now in. They do not understand the culture of the beets in any way. We have had to send out agents among them, and these agents had to be paid, and each year we expend so much I will say there has been no profit at all. I have figures here to prove for the last two campaigns we have had a loss, notwithstanding we have had also a legislative bounty of 1 cent per pound in Utah.

Mr. TURNER. What do you mean by campaigns?

Mr. CUTLER. A year, campaign means the season.

Mr. REED. You call a campaign the beet season of manufacture?

Mr. CUTLER. Yes, sir.

Mr. TURNER. How much does it cost you to make that sugar?

Mr. CUTLER. It costs us the first year fully $5 per ton for beets to make the sugar.

Mr. TURNER. That you have stated; but I am speaking of the process of manufacture.

Mr. CUTLER. Five dollars per ton for the beets. Last year it did not cost us probably over $4.50. This year we hope to make it for $4, possibly a little less.

Mr. TURNER. You mean to manufacture it?

Mr. CUTLER. Yes, sir; to manufacture the sugar.

Mr. TURNER. Into this article?

Mr. CUTLER. Yes, sir; into the granulated sugar.

Mr. TURNER. What does it amount to per pound?

Mr. CUTLER. The first year our sugar cost us 5½ cents a pound; last year it cost us about 5 cents.

Mr. TURNER. Five cents a pound to make it?

Mr. CUTLER. Yes; the entire sugar cost.

Mr. TURNER. Is that the entire cost?

Mr. CUTLER. Yes, sir.

Mr. TURNER. Labor, material, etc.?

Mr. CUTLER. Yes, sir; labor and material, not including wear and tear of machinery at all. The cost of our plant, including 1,000 acres of land, is $680,000.

Mr. TURNER. Taking 5 cents a pound to be the cost, not including wear and tear as you say, you then get back from the Government two-fifths of the cost at 2 cents a pound?

Mr. CUTLER. Yes, sir.

Mr. TURNER. So that your sugar, not including the wear and tear, costs you finally only 3 cents a pound, deducting the bounty which the Government pays you?

Mr. CUTLER. I do not quite understand it that way. I figure it our sugar costs us 5½ cents a pound the first year.

Mr. TURNER. Say 5 cents a pound last year. Government gives you back 2 cents?

Mr. CUTLER. That would be correct.

Mr. TURNER. Then the net cost to you, not including wear and tear, is 3 cents a pound?

Mr. CUTLER. Yes, sir.

Mr. TURNER. And you sell your sugar for what, 4½ cents?

Mr. CUTLER. About 5 cents last year.

Mr. TURNER. So that you make 2 cents a pound, which is a profit of 66⅔ per cent. Is my calculation correct on the figures we assume?

Mr. CUTLER. I presume in theory, but in practice——

Mr. TURNER. I was carefully shielding you from the wear and tear to which you refer?

Mr. CUTLER. Yes, sir.

Mr. TURNER. Leaving out wear and tear, the cost of your sugar is 5 cents a pound, say. The Government gives to you 2 cents a pound, which deducted leaves 3 cents a pound as the cost of your product to you, not including the deterioration of your machinery?

Mr. CUTLER. If we only make 145 pounds of sugar to the ton of beets and that costs $4.50 that is about $3 cost of manufacturing and $5 cost of beets, and that makes $8. That is the way I figure it out.

Mr. TURNER. Well, you have got your figures so I do not understand your meaning myself.

Mr. CUTLER. That is for a ton of beets.

Mr. TURNER. I have been endeavoring to pursue the calculations with you on the basis of the cost per pound. Do you understand the basis on which we were pursuing the discussion?

Mr. CUTLER. Yes, sir; I understand it now.

Mr. TURNER. You said it cost you 5 cents a pound, not including the deterioration of your plant?

Mr. CUTLER. Yes, sir.

Mr. TURNER. The Government pays you back 2 cents a pound, which leaves you 3 cents per pound, and you sell your sugar for 5 cents per pound. Is not that a profit of 2 cents a pound?

Mr. CUTLER. It would be.

Mr. TURNER. Not counting the deterioration of your machinery?

Mr. CUTLER. Not counting the deterioration of the machinery.

Mr. TURNER. That is all I have to ask you.
Mr. GEAR. You do not count interest in that?
Mr. CUTLER. I do not count the interest on it.
Mr. GEAR. You pay taxes?
Mr. CUTLER. Yes, sir.
Mr. GEAR. Insurance?
Mr. CUTLER. Yes, sir.
Mr. REED. Then this 2 cents profit is profit you did not make?
Mr. CUTLER. Which we did not make at all; it is a loss.
Mr. REED. Can you make sugar without a plant?
Mr. CUTLER. No, sir.
Mr. REED. Can you have a plant without spending money?
Mr. CUTLER. You can not without spending $500,000 to have a capacity of 300 tons per day.
Mr. REED. Can you get money without interest?
Mr. CUTLER. No, sir.
Mr. REED. And your machinery deteriorates in the long run and you have to replace it?
Mr. CUTLER. We have to replace it.
Mr. REED. Consequently any calculation with the elements of cost of plant and interest thereon and deterioration would be a misleading calculation?
Mr. CUTLER. It would be misleading and it would more than cover the 2 cents a pound that the Government gives us.
Mr. REED. Now, notwithstanding this figuring out a profit by leaving out some of the most important elements of the cost by which they show a profit of 2 cents a pound, you have not made any profit?
Mr. CUTLER. We have not at all.
Mr. REED. Consequently such a calculation as that could only be misleading?
Mr. CUTLER. Yes, sir; misleading. I have the actual figures themselves as to what the cost was last year and the year before.
Mr. GEAR. Is not the producing of beets and converting them into sugar of value to the farmer by making a concentration of crops and saving a large amount of freight?
Mr. CUTLER. Yes, sir.
Mr. TARSNEY. How much wheat is exported from Utah annually to the other States or foreign markets?
Mr. CUTLER. Last year about 40,000 bushels.
Mr. TARSNEY. How much was imported into the State?
Mr. CUTLER. None into the State.
Mr. TARSNEY. Utah more than supplies the home demand for wheat?
Mr. CUTLER. Yes, sir.
Mr. TARSNEY. How is it with corn?
Mr. CUTLER. We are not a corn-producing Territory.
Mr. TARSNEY. So the farmers who had use for it had to pay this cost of freight to get it?
Mr. CUTLER. Yes, sir.
Mr. TARSNEY. What other agricultural product do you produce beyond your home demand?
Mr. CUTLER. Potatoes very largely.
Mr. TARSNEY. Oats, corn, and such things as that you do not produce beyond your home demand?
Mr. CUTLER. We raise just about enough oats for the farmers' consumption, but the market for potatoes does not average 10 cents a bushel from one year to the other.

Mr. BRECKINRIDGE. What was your output last year of your establishment in sugar?
Mr. CUTLER. 1,480,000 pounds of sugar.
Mr. BRECKINRIDGE. Do you produce anything else?
Mr. CUTLER. Nothing else, except the molasses which we dump into the creek. We have no use for it.
Mr. BRECKINRIDGE. The sugar was the only salable product of your establishment?
Mr. CUTLER. Yes, sir.
Mr. BRECKINRIDGE. What is the estimated salable product of your establishment this year?
Mr. CUTLER. 4,000,000 pounds.
Mr. BRECKINRIDGE. What is the full capacity of your establishment?
Mr. CUTLER. I presume it will be about 5,000,000 to 6,000,000 pounds.
Mr. BRECKINRIDGE. What is the length of the manufacturing season with you?
Mr. CUTLER. One hundred days with us.
Mr. BRECKINRIDGE. You work one hundred days in the year?
Mr. CUTLER. Yes, sir.
Mr. BRECKINRIDGE. You work no longer because the material is exhausted?
Mr. CUTLER. Yes, sir; we could not possibly care for it any longer.
Mr. BRECKINRIDGE. And your plant lies idle two-thirds of the year?
Mr. CUTLER. Yes, sir; and we have skilled labor which must be paid for the whole year around.
Mr. BRECKINRIDGE. Is that true of the foreign establishments also that they can only work about one hundred days of the year?
Mr. CUTLER. I think that is about the maximum.
Mr. TURNER. I could not quite catch the conversation between you and Mr. Breckinridge and I may repeat some matters you have already stated. What was the cost of your plant?
Mr. CUTLER. The plant proper is $500,000.
Mr. TURNER. What do you say is your annual product?
Mr. CUTLER. It should be 4,000,000 to 5,000,000, or even 6,000,000 pounds of sugar, and it will be in time.
Mr. TURNER. What is your estimate for the product this year?
Mr. CUTLER. 4,000,000 pounds.
Mr. OXNARD. State what you made for the last two years.
Mr. CUTLER. 1,500,000 pounds and 1,100,000 pounds.
Mr. TURNER. What is the life of your machinery?
Mr. CUTLER. I presume from ten to fifteen years with 5 to 10 per cent of improvements each year, or wear and tear.
Mr. TURNER. Say ten years?
Mr. CUTLER. Say ten years; yes, sir.
Mr. TURNER. At 2 cents a pound the output of 4,000,000 pounds there would be a yield to you in bounty, or say profit, or whatever you may choose to call it, of $80,000 a year. There would be a bounty of that much to you?
Mr. CUTLER. Yes, sir.
Mr. TURNER. Interest on your plant at 6 per cent would be about $30,000?
Mr. CUTLER. Interest in our country is from 8 to 10 per cent.
Mr. TURNER. Say 8 per cent; that would be $40,000 and the deterioration annually of 5 per cent?
Mr. PAYNE. I understood the plant was $650,000.
Mr. CUTLER. You asked a question about the plant and I said the

plant itself was $500,000, but we have employed $680,000, including 1,000 acres of land.

Mr. TURNER. There is no deterioration in the land, this land you use for the production of beets?

Mr. CUTLER. It is land we bought for the production of beets providing the farmers did not take hold of it as they should do, but we have not used it much for beets. We have been raising hay on it for the purpose of feeding cattle and experimenting on pulp.

Mr. PAYNE. Now, take the 5 per cent wear and tear of the machinery, and it is say $40,000; now where is your profit?

Mr. TARSNEY. In other words the Government is paying for your whole plant and deterioration?

The CHAIRMAN. The Government gives $15,000 besides.

Mr. TURNER. Is that a fair calculation; $80,000 being paid you in bounty, and the other under your interest account at the rate of 8 per cent is $40,000, and the wear and tear nearly 5 per cent would be $25,000, and that covers the deterioration of the machinery during the whole period you speak of I suppose.

Mr. CUTLER. Yes, sir; I presume so.

The CHAIRMAN. So you get your wear and tear back and make $15,000 besides annually?

Mr. CUTLER. Well, it would not cover the loss entirely on the plant the last year or two. That deterioration I believe will increase, of course; I have not had enough experience to tell exactly what it is, but it will increase in years.

Mr. GEAR. How do you know you are going to make 4,000,000 pounds?

Mr. CUTLER. Well, that is our theory.

Mr. GEAR. That is based on theory?

Mr. CUTLER. Yes, sir; on theory.

Mr. OXNARD. He has never got more than a million yet?

Mr. CUTLER. Here is a gentleman from California who would like to speak on the subject.

Mr. BYNUM. I want to ask you what land is worth, say that 1,000 acres?

Mr. CUTLER. I should say an average of $84.

BEET SUGAR.

Schedule E.

STATEMENT OF MR. E. P. FOWLER, OF ANAHEIM, CAL.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I represent the Anaheim Coöperative Beet Sugar Company of California, composed entirely of farmers, and I would like to lay before you their plan of organization, and make plain how this Government bounty is paid back to the tiller of the soil for the production of beets. Our company is capitalized at $500,000, divided into 4,000 shares, 1,000 shares being treasury stock, and 3,000 subscribed for by an acre of land for each share of stock, and when a farmer subscribes for the stock he deeds his land in fee to the company, and receives his share of stock. I should have stated the application sets forth that for each share of stock one acre of land shall be paid for five years. Of course our farmers are

like most farmers in the United States, they have land, but no money. We thought with this organization and this 3,000 acres of land on our plan possibly we might be able to borrow money enough to erect a plant. We found on that proposition we could not. We then formed this organization, we mortgaged, or we pledged to pay into the hands of a trustee, the bounty of 2 cents a pound on every pound of sugar which we made for the security of the bonds of the buyer. On that plan we found we could get our money, but the time we had occupied in forming our company and maturing our plans brought it so late, and there seems to be an uncertainty in the minds of capitalists whether this bounty was going to remain or not, that they refused to give us the money until the election, and we have not succeeded in getting it up to to-day, although it is promised, and we have made with the Kilby Manufacturing Company, of Cleveland, a contract. If there is no adverse legislation by this administration they will erect our plant. There are 298 stockholders, and here is a paper I would like to leave with your body.

Mr. GEAR. One question; what do you pay for beets in California, $5 a ton?

Mr. FOWLER. Our farmers around the Chino factory this year were paid on an average of about $5; some farmers received as high as $7.90.

Mr. GEAR. If it was not for this bounty paid by the Government your farmers would not receive $5 a ton for their beets?

Mr. FOWLER. No, sir.

Mr. BYNUM. And you expected to pay for this plant and the machinery out of the bounty?

Mr. FOWLER. No, sir; what I say was, we were to pay the 2 cents a bounty into the hands of the trustee for security.

OFFICE OF THE ANAHEIM CO-ÖPERATIVE BEET SUGAR COMPANY,
Anaheim, Orange County, Cal., March 10, 1893.

We, the undersigned directors and subscribers to the capital stock in the Anaheim Coöperative Beet Sugar Company, have noticed the efforts of a few men in Congress to repeal the law giving bounties for the manufacture of sugar.

This company represents a capital of $500,000, $375,000 of which has been subscribed by 298 farmers, whose names are appended hereto, and is organized and will be run on the coöperative plan. This has been made possible by the wise provision of law which thus encourages and aids the farmers to embark in this new industry. The bounty goes directly to our farmers, and if maintained and contined during the fifteen years provided in the McKinley tariff law we believe will develop the sugar industry to such an extent as to render the United States independent of all reliance upon foreign countries for our sugar supply.

There are but six beet-sugar manufactories in operation in the United States, and our company will be the first one organized on the coöperative plan which has made Germany the largest sugar producing nation in the world; and it successful here, as we have no reason to doubt, it will be the precursor and herald of scores of other factories, organized on the same basis, owned and operated by the farmers who produce the raw material, and who will richly deserve the bounty, which was given to foster and encourage this long-neglected industry.

With free sugar the nation saves $56,000,000 per year, which was formerly paid by the consumer (the people, in the shape of tariff), while the bounty paid by the Government will not amount to that sum for several years.

With America self-sustaining in the production of sugar it would give employment to a million of workers, render productive and profitable thousands of farms, and save the deportation of $150,000,000 in gold annually to pay for sugar produced in alien lands.

We therefore enter our most earnest protest against any and all attempts to repeal the only provision of law found upon our statute books which is directly in favor of the farmers.

With the law prescribed and made secure for the prescribed time of fifteen years our farmers will have a reasonable certainty, as they embark in this new and heretofore regarded problematical industry, that their efforts will not be lost and their

homes sacrificed while they are developing and perfecting here one of the greatest industries of the world.

We urge upon our Senators and Representatives in Congress the great importance of seeing that the sugar bounty provisions of the McKinley tariff law shall not be disturbed. If the American Congress will do its duty as it has started out to do, the American farmer will do his full duty toward making our land self-supporting, giving employment to labor, and wringing from our soil and sun the treasures so richly garnered there

E. P. FOWLER,
TH. F. JONES,
FRANK J. CAPITAIN,
RICHARD GIRD,
R. J. NORTHAM,
H. A. PIERCE,
E. J. FRENCH,
Board of Directors.

ANAHEIM, ORANGE COUNTY, CAL., *August 2, 1893.*

DEAR SIR: We herewith present you some facts pertaining to the sugar-beet industry, which is assuming considerable importance here in southern California.

We need not call your attention to the long struggle, the costly experiments, the wreck of many fortunes during the last thirty years in efforts to profitably establish the manufacture of sugar from sugar beets in the United States. These are a part of the history of our country. The generous aid given by Congress to the encouragement of this industry, after long years of experiments, and the development of advanced scientific methods, have overcome in a great measure the difficulties heretofore encountered in the extraction and crystalization of the sugar contained in the sugar beet, and we may now look upon it as one of the great future industries of the United States.

The bounty of 2 cents per pound, granted by Congress by section 3 of the McKinley tariff law, has done much to stimulate this new and important industry. Before its passage we only had two small factories in our whole domain—one located at Alvarado and the other at Watsonville, both in California, and even now there are but six in the United States. Beside the two named, there is one at Norfolk, Nebr., one at Grand Island, Nebr., one at Lehi, Utah, and one at Chino, in this State.

The total production of beet sugar in the United States in 1891 was 12,204,838 pounds, and in 1892 it increased to 27,083,322 pounds. The principal gain was in California, which produced 8,175,438 pounds in 1891, and 21,801,322 pounds in 1892, and we think the production for 1893 of our State will reach fully 40,000,000 pounds. This is only the third year of the growth of this enterprise, and its progress has been most gratifying.

But there are features pertaining to this industry which peculiarly commend it to our American farmers. The most of the sugar manufactured from the beet in Germany, from whom we get our largest supply, is manufactured by factories owned and operated by the raisers of the beats, small farmers, on the coöperative plan, and it has been the means of bringing untold wealth and prosperity to the localities where it is most thoroughly established. This feature is already appealing strongly to our people. We have organized a company here on that basis, which comprises some 200 farmers and represents $500,000 of capital stock, divided into four thousand shares. Every share is represented by one acre of ground, which is deeded in trust to the company, and which must be cultivated in sugar beets for five years. Our farmers, like most of the farmers of America, have but little money; but the land so deeded by them to the Coöperative Company, furnishes a security upon which to borrow the money to establish and successfully operate their factory. And here is seen the wisdom and beneficence of the present bounty of 2 cents per pound on domestic sugar. The farmer, having nothing but his land and his labor, finds it almost impossible to borrow from capitalists the large sums required to establish a successful sugar plant. It has been demonstrated that a factory must have a capacity of at least 330 tons per day to yield a profit on working, owing to the heavy expense, and such a plant, fully equipped, costs from $400,000 to $500,000. But we have found that by pledging and putting aside the Government bounty as a "sinking fund," with which to meet the interest on our bonds, we can borrow all the money necessary to build 100 factories, and have every one of them owned and operated by the people, whose products they will convert into an article of commerce, the demand for which is world-wide. We have been at work nearly two years in perfecting this coöperative organization and secure the funds necessary to build its factory—$400,000—but already there is a widespread interest and demand for the extension of this work. We are making arrangements for the organization of four more coöperative companies in Orange and Los Angeles

counties, which will include 1,000 farmers, and every dollar of this bounty will go to the producer and help establish an industry that will give employment within the next fifteen years to 5,000,000 of people, save hundreds of millions of money to our own countrymen, and render us independent of reliance upon foreign supply of sugar.

The possibilities of this industry are hardly dreamed of yet by our people. We have in southern California alone not less than 1,500,000 acres of land adapted to the growing of sugar beets, and probably from 4,000,000 to 5,000,000 acres in the entire State which will yield an average of ten tons of beets per acre. The experiments of our national Department of Agriculture have also demonstrated that there is a wide belt or zone, extending from the Great Lakes to the Pacific, capable of producing this valuable root so as to yield a profitable return to farmers; but probably nowhere on earth are all the conditions so favorable as on this coast for the production of sugar from the beet, except the one great question of *labor*. We cannot compete with the cooly labor of the Sandwich Islands or the West Indies—nor with the pauper labor of Europe—where they manufacture sugar for 2½ cents per pound. The average price paid for laborers in the foreign beet fields is only $6 per month, while here the average price is $25 per month. In order for this industry to become firmly established our farmers must have the protection either of a protective tariff of at least 2 cents per pound, or the bounty should be retained until 1905, when it expires by its own limitation. If this can be assured, so that the farmers can be relieved of the fear of its removal and the loss of the homes they are willing to pledge to raise the necessary capital, there will be hundreds of coöperative beet-sugar factories established throughout the length and breadth of our land, and in ten years we will manufacture all the sugar required for home consumption.

There is another feature which should commend this industry especially to the favorable consideration of the Senators and Representatives from California. Our soil is prolific of nearly all the products of the earth, but we have to seek a market for our fruits and vegetables from 2,000 to 3,000 miles away, and this places the producer completely at the mercy of the great transportation companies that span our continent, and the experience of the last ten years with them has been very disastrous to our confiding farmers, who have sought a market in Chicago, St. Louis, New York, and Boston. Let this beet-sugar industry be successfully established by the building of coöperative plants and the great question of "transportation" is solved. It gives us a home market for our products and unites the manufacturer and producer. Every acre put into sugar beets takes an acre from competition with overburdened markets in the fruit, grain, and vegetable line, and enhances the value of these products to that extent. It will solve the great question of capital and labor as to this industry, for there will never be a strike or lockout in a coöperative sugar factory. By fostering this industry and enabling it to become self-sustaining, we will relieve the overcrowded marts of labor, reduce the number of the unemployed, make productive vast areas which now yield no remuneration, keep our gold at home, give impetus and encouragement to a thousand other industries now languishing, and make America what she ought to be, free, prosperous, independent, and self-supporting.

A few millions given by the Government to the aid of this new and struggling industry for the next ten years will bring a return of many fold to the whole people. If the bounty is retained, sugar can remain on the free list, and every poor man's sugar bowl in our nation can be full. If a tariff is placed on sugar, with an importation of over 3,000,000,000 pounds, it will cost our people not less than $60,000,000 annually, and the working man will only be able to buy 10 pounds for a dollar, where he now gets from 15 to 20 pounds. This question reaches every home in America, no matter how rich or how poor. The bounty which will be paid to enable our farmers to establish this industry will not cost over 15 cents per capita, while the tariff will amount to $1 per capita per annum. These are the plain, simple facts.

We appeal to you in behalf of this new and important industry, in behalf of American farmers and American interests, to support and retain the bounty now granted to domestic sugar. With such an assurance of success to the farmers, the progress in this enterprise will be so great that a very few years will see the enterprise so firmly established in our country, so prosperous from the impetus given, that the nation will be repaid a hundred fold for having been interested in its behalf.

Very truly yours,

E. P. FOWLER AND OTHERS.

BEET SUGAR.

STATEMENT OF MR. ISAAC HECHT, OF SAN FRANCISCO, CAL.

Mr. CHAIRMAN: I will be as brief as possible, and wish to submit to you here the results of the beet-sugar industry entered into by some of us in this way some four years ago. At first we worked under a tariff of 2 and a fraction of a cent per pound for the first year, 1889, working the business with all the energy and all the intelligence that any factory was worked in the United States, and we made nothing. In 1890 we made nothing; in 1891 we made nothing; in 1892 we declared a dividend of $30,000 on a capital actually of $265,000. We bought an old plant which was worth $150,000 more, so in four years, after conducting this enterprise first with a tariff, then with a bounty, it did not yield but 2½ per cent revenue on the capital which we invested. But notwithstanding this we are perfectly well satisfied. During that time we have paid out $500,000 in the immediate vicinity of San Francisco, of which every cent went into the pockets of our neighbors. We occupy land which is worth $300 an acre and which was used for gardening purposes, raising cucumbers, potatoes, cabbages, etc., and notwithstanding that our firm preferred to plant beets. We consider, Mr. Chairman, that the wealth of the nation is in its soil. If we can get out of our soil so much more money than any other crop we ought to cultivate it and extend it. If Germany, if France, if Belgium can afford to import our cereals at 50 per cent more than we can get for them why should not the United States be able to put that same land into beet sugar instead of raising these crops at a loss of 50 per cent? That is all I have to say, gentlemen.

Statement furnished by Mr. Isaac Hecht.

	1889.	1890.	1891.	1892.	1893.
Construction account	$150,000.00	$188,375.74	$256,481.60	$265,882.71	.....
Added during year	38,375.74	68,105.86	9,401.11	.....	.....
Total carried forward	188,375.74	256,481.60	265,882.71	.....	.....
Planted ..... acres	958	1,320	949	1,594	2,500
Beets received ..... tons	9,224	13,298	10,942	15,090	.....
Sugar made:					
Raw ..... pounds	355,801	2,806,843	1,782,982	2,506,860	.....
White ..... do	1,388,933	.....	.....	.....	.....
Third product ..... do	700,000	1,162,200	1,025,516	1,424,510	.....
Pulp made (estimated) ..... tons	3,690	5,319	4,158	5,772	.....
Coal consumed ..... do	2,416	3,214	1,850	2,080	.....
Cost of coal delivered at factory ... per ton	$7.62½	$8.02	$7.96	$7.62	.....
Coke consumed ..... tons	106	104	105	86	.....
Cost of coke delivered ..... per ton	$16.07	$16.05	$13.13	$13.13	.....
Limestone consumed ..... tons	926	1,193	950	1,393	.....
Cost of limestone delivered ..... per ton	$2.85	$2.65	$2.40	$2.55	.....
Average yield beets per acre ..... tons	9.62	10.07	10.47	11.03	.....
Amount seed sold per acre ..... pounds	16.3	14	13.6	14.7	.....
Total per acre sold and furnished gratuitously for resowing	19.4	15.1	17.2	20.9	.....
EXPENDITURES.					
Beets	$44,226.50	$58,107.16	$62,200.76	$78,693.07	.....
Steam fuel	18,146.92	27,379.05	16,188.48	14,871.20	.....
Coke	1,857.56	1,767.16	2,640.88	1,144.00	.....
Limestone	2,514.49	3,820.43	2,789.63	3,669.48	.....
Labor	27,790.57	28,093.72	19,408.15	24,007.65	.....
Taxes and insurance	3,223.44	4,966.05	2,495.38	2,605.03	.....
Repairs	2,078.36	1,817.60	10,112.11	7,225.53	.....
Supplies	3,835.15	9,202.15	5,786.31	7,891.73	.....
Interest and discount	396.74	1,985.17	934.31	847.20	.....
Office	769.29	1,251.18	1,098.72	803.99	.....
Legal	765.75	1,000.00	.....	.....	.....
Miscellaneous expenses	932.14	0,160.90	.....	2,770.28	.....
Loss on seed sold	.....	.....	339.61	.....	.....
Dividend	.....	.....	.....	30,000.00	.....
	106,537.01	139,550.57	123,994.34	174,529.16	.....

BEET SUGAR.

STATEMENT OF MR. O. K. LAPHAM, OF STAUNTON, VA.

Mr. CHAIRMAN: If you will allow me to say one word, I will state that I am a beet-grower of Staunton, Va., and I want to merely say this: Except for the bounty it would be simply impossible to make beet sugar there, and if this bounty is continued we ought to succeed as well as in Germany.

CANE SUGAR.

STATEMENT OF MR. JOHN DYMOND.

Mr. CHAIRMAN AND GENTLEMEN: We are here as a delegation of planters of Louisiana, and before taking up the economic side of this industry we would like for Dr. Stubb, of our State, who is a director of the experiment station and connected with the sugar school, to address you upon the possibilities of our products. Then we will take up the economic side of the question.

STATEMENT OF DR. W. C. STUBBS, OF LOUISIANA.

Mr. CHAIRMAN and GENTLEMEN OF THE WAYS AND MEANS COMMITTEE: There is a scientific as well as a politico-economic side to domestic cane-sugar industry. Its successful development requires a comprehensive knowledge of agriculture, mathematics, mechanics, mechanical engineering, drawing, and sugar-making. The successful planter must understand the physical and chemical properties of his soils, the physiological, chemical, and botanical relations of the plant to be cultivated, and the following requirements of the latter when grown upon the former. He must understand drawing to be able to intelligently interpret the numerous blue prints sent him descriptive of the machinery to be used. He must be versed in the laws of mechanics to calculate the capacity of machines suitable for his sugarhouse. He must have some knowledge of engineering to enable him to comprehend the various motions at work in his sugarhouse. He should learn the principles which underlie sugar-making and the successful application of these principles in the art. Since sugar-making is purely a chemical process, the science of chemistry should be well understood. To these numerous accomplishments should be added financial ability, executive skill, and indomitable energy, rare combinations in one man, to make a first-class sugar-planter. Is it not a wonder that the sugar-cane industry of this country survived the half century of darkness of its first existence? Rich lands, slave labor, unlimited credit, with fair prices for sugar, sustained it till buried by the earthquake of the civil war.

After the war, sustained by high values, it slowly developed, but mainly along old lines, till the extremely low prices of 1880 created alarm in the bosom of every sugar-planter in the South. In this year at a special convention called to consider the gravity of the situation, it was decided that low prices, unreliable labor, soil depletion, and high money rates had shorn the profession of much of its profits and all of

its pleasures and charms, and that a successful prosecution of this enterprise in the future required an intelligent investigation and application of the many principles enunciated above. To this end they organized The Sugar Planters' Association of Louisiana, an organization which has so far bravely fulfilled the purposes for which it was created and which has been largely instrumental in developing our present prosperous condition. Soon after organization the leading planters were astounded at the meager literature pertaining to their industry. Little or no scientific work had been given to sugar cane, though the industry had been prospering upon tropical isles for centuries. Only beet-sugar literature could be obtained and their effort to apply many of the principles and teachings of this plant proved futile, expensive, and worthless when applied to sugar cane.

With these surroundings in 1885 the Louisiana Sugar Planters' Association established and has since supported the Louisiana Sugar Experiment Station, where extensive scientific and practical experiments in the field, laboratories, and sugarhouse have been carried on with sugar cane and its products. These experiments have not only been productive of great good to the State, but have stimulated the planter to personal exertions in the acquirement of knowledge and the application of principles underlying his profession.

With the inauguration of this station began my career in the sugar industry, and I can now look back across the vista of eight years at the wonderful developments made during that time.

At that time a majority of the sugar made in the State was upon the open-kettle system; to-day, 213 large vacuum pans, aided by over 1,000 centrifugals, give us four-fifths of our entire crop in beautiful white or yellow crystals. Then the scums, settlings, and tank bottoms went to our ditches; to-day over 1,000 filter presses squeeze from them their saccharine contents and leave the residue as a valuable contribution to our compost heaps.

Then there were only eleven double effects in our State, and they small and imperfect; now over 100 of enormous size and of most approved patents are kept busy concentrating the juices from our mills and batteries. Then small three-roller mills, with an occasional five-roller mill, expressed 50 to 70 per cent of juices of the cane; to-day ponderous six and nine roller mills vie with diffusion batteries in their 80 to 88 per cent extraction out of a possible total of 90 per cent.

Few and imperfect were the bagasse burners then, now every house of importance has one, utilizing the woody fiber of the cane in the production of steam under the largest and best constructed boilers, thereby saving thousands of dollars annually in coal bills. Then the capacity of our best sugarhouses was 250 tons of cane per day; to-day we have one house of 1,500 tons per day capacity, a score or more of 1,000 tons, with many others of 400 to 500 tons. Formerly not a sugar chemist was to be found in the State, now over seventy-five exercise chemical control in our sugarhouses; discovering and correcting losses, planning and executing experimental research along the lines of their work, and throwing a flood of light upon the whole industry. The central factory, a place where the small farmer could sell his cane, had no existence then, now over 100 houses are competing for the purchase of cane, and small farmers everywhere have no trouble in disposing of their cane at fair prices. A bill for the divorce of the agricultural from the mechanical side of this industry has already been filed in the minds and hearts of our planters and time is now writing its final decree of acceptance.

The agricultural side has also kept pace with the mechanical. Ten

to 15 tons of cane per acre were once good yields. Now, with improved implements, judicious but heavy use of fertilizers, and the most advanced system of cultivation, including a wise rotation of crops, 30 tons per acre are frequent, with occasional yields of 40 to 45 tons.

Formerly a hogshead of 1,000 pounds of sugar to the acre was considered a fair yield—last year our vacuum-pan crop gave an average yield per acre of over 2,100 pounds. Drainage, costly and laborious as it is, has received a wonderful impetus. Every well-regulated plantation is now excellently drained, while many thousands of acres have been underlaid with tile at an expense of $50 to $75 per acre. Many more instances might be cited of the rapid improvements all along the line. It can be said with truth that no other industry in this country has shown such marvelous progress in so short a time. Every dollar made on sugar in this time has been reinvested in improvements, together with the addition of many millions from the outside world. This year alone will witness several millions thus invested.

The Sugar Planters' Association has also been instrumental in establishing the Louisiana Planter, a journal devoted to the sugar-cane industry, and now acknowledged to be the leading sugar journal of the world, which weekly reaches the homes of thousands of planters, mechanics, chemists, sugar-makers, etc., shedding light and life upon the industry. As a popular educator it has accomplished great good.

Two years since the planters of the States organized, at their own expense, a "sugar school" at Audubon Park, where experts in the sugar industry might be educated in the science and practice of its agriculture, mechanics, chemistry, and sugar-making. It is largely attended, and when its graduates shall enter the sugar world as leaders and advisers, further impetus will be given to this already progressing industry.

The soils of lower Louisiana are extremely fertile. They are rich in vegetable matter and are disposed to expend their raging fertility in the product of weed or foliage. This disposition, aided by a very large rainfall, with a constant atmospheric humidity, preëminently suits a gregarious succulent plant like sugar cane. Plants grown for the seed they produce are not economically and successfully grown here because of tendency to excessive foliage. This tendency, so objectionable to cereals, is beneficial to cane—a crop grown entirely for stalk and not for seed. The cane plant is not the delicate exotic that some persons would have us believe, but is on the contrary entirely acclimated in Louisiana. The sugar cane crop is as certain year by year as any other leading crop in the Union. It may be truthfully said that no crop is better adapted to the alluvial lands of Louisiana than cane, and nowhere on earth can be found more intelligent, earnest, and progressive farmers and planters than those now engaged in combining the natural resources of our soil and climate with the scientific achievements of modern times in the successful production of sugar.

Should the present spirit and enthusiasm pervading our people be preserved undaunted through the next decade, I feel confident that the larger portion of Louisiana will be devoted to sugar cane, and that enough sugar will be produced therein to supply the wants of the entire Union. A slight glance at our present condition, with its marvelous developments everywhere visible, and a prospective glance at our future, with its vast possibilities and promising probabilities, will convince the student of political science of the truth of this remark.

Louisiana has 45,000 square miles. Of this about 19,000 are alluvial. Of the latter amount only about 5,000 are incapable of immediate

reclamation. The remaining 14,000 square miles, or over 8,000,000 of acres, can with necessary capital be at once brought into successful cultivation, and every acre is well adapted to sugar-cane culture. Of the lands once in sugar before the war, it is estimated that only about one-third to one-half is now devoted to sugar cane. This reduced area has by cultivation, fertilization, rotation, etc., given us the largest crop on record. Simply restore to this crop its former acreage and you will more than double our present yield. To these let us add the parishes of East Baton Rouge, East Feliciana and West Feliciana which are now awaiting the central factories to go bodily into cane culture. Cover the partially occupied parishes of Avoyelles, Point Coupee, and Rapides, and we add hundreds of thousands of acres to our area. Seek the new territory of the western prairies and you will find that the central factory at Lake Charles, on their western borders, is prospering and rapidly forming a nucleus of sugar growing in the far-away parish of Calcasieu. These prairie parishes are well adapted to sugar-cane culture, and nothing but capital for central factories is needed to add several millions of acres to the sugar industry in this section of the State.

Experiments have shown that sugar will thrive in both the Florida parishes on the east and the hill parishes on the north.

But confining ourselves to our alluvial lands alone, and comparing the amount now under cultivation with what can be cultivated, and the present product with the prospective, and it requires only an application of the double rule of three in arithmetic to give the results. There are about 260,000 acres now under cultivation in Louisiana in sugar. The yield from this area will average about 250,000 tons, or one-eighth of amount at present consumed by the United States. There are alluvial lands available for sugar culture only awaiting capital to develop of at least 8,000,000 acres. When developed, which it will be if properly fostered, what will be the output of sugar? It will only require one-fourth of this area to supply present demands. Should the demand continue to increase, there is still room for an abundant supply for many years to come.

This is not the idle vaporing of a wild enthusiast, but the sober, quiet deduction of one trained in scientific thought and who has made the geology, topography, and agriculture of this State special studies for eight years, assisted by a learned corps of observers and experimenters.

Mr. BRYAN. Have you made any computation as to the amount of land it would take to produce all the sugar the United States requires?

Dr. STUBBS. Yes, sir; I have it in this. Two million acres will make the crop. We compute a ton of sugar to every acre. I think there is now consumed 2,000,000 tons of sugar in the United States and 2,000,000 acres will make the present crop.

Mr. BRYAN. I thought the consumption was something over 3,000,000 tons?

Dr. STUBBS. Two million tons last year, I think.

Mr. BRYAN. That includes all kinds of sugar?

Dr. STUBBS. Yes, sir; we make a ton to each acre. Therefore, it would be 2,000,000 tons, or eight times the quantity we have in Louisiana will make it.

Mr. BYNUM. What is that to the acre?

Dr. STUBBS. Two thousand one hundred pounds—a little over.

Mr. BYNUM. That would amount to about $40 an acre bounty. That is more than the farmers are receiving in my county.

CANE SUGAR.

Schedule E.

STATEMENT OF MR. JOHN DYMOND, OF NEW ORLEANS, LA.

MR. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: The sugar industry of Louisiana was practically destroyed by the civil war, the crop of 1864 having been but 5,000 tons. From that date until 1890 the progress of the industry was but moderate; in 1865, 9,000 tons; in 1870, 84,000 tons; in 1875, 82,000 tons; in 1880, 136,000 tons; in 1885, 143,000 tons; in 1889, 144,000 tons. While this increase from so small a beginning indicates large percentages of increase, yet the crops were still below the highest antebellum crop and did not by any means utilize the available lands in Louisiana, and they were somewhat disappointing.

There was then an uncertainty about the legal status of the sugar industry that made it difficult to interest capitalists in it and difficult to secure in any manner the means for the proper development of the industry.

When the Louisiana sugar industry was thus destroyed by the war sugars rose in value throughout the world. Louisiana produced about one-fourth of the amount consumed in the United States, and the sudden demand on the sugar markets of the world for an amount to compensate for the loss of the Louisiana crop doubled the prices of sugar and gave an impetus to the development of the European beet-sugar industry that it has kept until now.

The beet-sugar crop, now exceeding 3,000,000 tons, was but 658,000 tons in 1868; 943,000 tons in 1870; 1,130,000 tons in 1872; 1,318,000 tons in 1875; 2,361,000 tons in 1883, when it reached and surpassed the world's production of cane sugar, and finally it was 3,402,000 tons in 1892.

The wonderful growth of this industry in Europe is one of the marvelous results of governmental intervention to promote such industries. It is a matter of record that beet sugar was the result of scientific investigation. Sugar was found in the beet, and though limited in quantity there seemed possibility of success in securing a compensating yield. After long years of struggle and after many years of governmental fostering by practically prohibitive duties and by bounties, the beet-sugar crop of Europe had begun to assume some magnitude when the civil war began. The immense demand then created for sugar by the loss of the American crop was the opportunity of the beet-sugar men and from that time the crop rapidly increased, reaching 3,402,000 tons in 1892, as hereinbefore stated, or about three-fifths of the total sugar production of the world.

This wonderful growth of the European beet-sugar industry, while promoted by legislation, was also the outcome of the cheap capital, the cheap labor, and the great skill so readily obtained in Europe; and the start thus gained by it has made it supremely difficult for us in Louisiana to successfully compete with it.

France, Germany, Austria, Belgium, Holland, and Russia have always given the most careful consideration to their beet-sugar industry and have always fostered it by such legislation as would bring about the desired results. The most recent legislation in France gives the sugar producers a minimum bounty of one-tenth the excise tax on

the beets, and the laws of each of those European States gives the producer a greater or less bounty.

A cargo of some 4,000 tons of beet sugar is now arriving in New Orleans from Germany, and comes with a bounty paid on it by the German Government, and it is sold to America at a less price than it could have been sold for in Germany. It comes to us also with its cost based upon the low cost of German labor and of German capital. Recently many efforts have been made to induce legislative changes concerning sugar in those European States, but the authorities have persistently refused to do anything prejudicial to this important staple crop.

The progress that we have made in Louisiana during recent years has been largely based upon the scientific methods marked out in Europe, and we have every reason to believe from our success and progress since the adoption of the law of 1890 that the path still lies open before us for constant and satisfactory progress.

The value of the sugar industry to the United States is not well understood. We will say, first, that it is the chief industry of the State of Louisiana, that half of its people and half its capital are directly or indirectly engaged in this industry. More than half a million people are dependent upon our Louisiana sugar industry for their daily bread, and we have more than a hundred million dollars invested in it.

The industry is of like interest to Texas and to Florida, where it can be largely increased, and wherever the beet industry is developed in this country it will become of similar importance there.

Lands in cane culture or in beet culture utilize an immense amount of human labor and it is the largest unoccupied field open to American labor.

The scientific character that the sugar industry has taken makes it an open field for scientific men who find in it a full range for the highest talent.

The immense amount of intricate machinery used in the industry makes it a field for the exercise of the highest order of mechanical skill, while the opportunities for the investment of capital are practically unlimited when we consider the immense amount of sugar we consume and that we now produce but about one-eighth of it.

There is no other field wherein there lies the same opportunities for American labor, American science, American skill, and American capital.

In the iron industry, the steel industry, in cotton manufactures, woolens and silks we have close competition with all the rest of the world; the field is open and practically unoccupied to those who would supply the United States with domestic sugar.

America has taken an advanced position in all other agricultural industries. We control the markets of the world in corn and cotton, in breadstuffs, and in meats. We can now add to the list of our great agricultural staples, another, sugar, capable of production in every State of the Union; and we can soon produce the 2,000,000 tons we now consume and retain at home the $100,000,000 we now send abroad for it, and, further, we can readily produce within the limits of the Union the 4,000,000 tons of sugar we shall want for home consumption within twenty years and retain at home the $300,000,000 that would otherwise be sent abroad annually to pay for it.

Apart from the magnitude of the Louisiana sugar industry and its vital importance to the people of the State, it bears relations to the other States the extent of which few appreciate.

Cane sugar requires a given soil and climate, and where these exist all other supplies can ordinarily be got more cheaply from the other States. The climate and soil of lower Louisiana is peculiarly adapted to the growth of sugar cane, and is ill adapted to the production of other staple crops. The result of this is that the $25,000,000 realized out of the Louisiana sugar crop is practically all expended in the other States of the Union.

It may be said that the $25,000,000 in sugar produced in Louisiana is all sold to the other States of the Union, and that the entire amount is brought back to Louisiana in such supplies as are there consumed. The machinery used in Louisiana comes from Missouri, Kentucky, Ohio, Pennsylvania, New York, and many of the other States. The immense amount of coal consumed in the process of manufacture comes from Pittsburg and from Alabama. Our mules come from Kentucky, Tennessee, Missouri, and Indiana; our cooperage from Ohio, Indiana, and Michigan; our cow pease from the Carolinas, Georgia, and Tennesee; our boots, shoes, and dry goods, groceries, and all the vast mass of supplies consumed in our industry come from the other States of the Union, until we reach an interstate trade exceeding $50,000,000—an amount which, until now, or until very recently, exceeds the entire amount of our trade with the rest of this hemisphere, Cuba and Brazil excepted.

This vast interstate trade is a matter of such moment and so much greater than it is usually thought to be that we earnestly recommend it to the consideration of your committee as a possible factor in guiding your deliberations.

While the cane-sugar industry is the leading agricultural industry of the State of Louisiana, it has about it so many of the features of a manufacturing industry that it employs many times the labor ordinarily used in agricultural industries, and owing to the finally immense production, within a limited area is capable of supporting a large population by the labor thus given.

The beet-sugar industry in a similar manner brings with it many collateral advantages wherever it exists, and long experience in Europe has shown that wherever the beet-sugar industry has been made a success that such communities are placed in a more flourishing condition by the larger agricultural results developed by the industry. This is already found to be the case in Nebraska and California, where our beet-sugar industry is developing, and we believe that similar results will follow the development of the sorghum-sugar industry in Kansas.

To recapitulate, we would say that the immense consumption of sugar in the American Union, the limited amount thus far produced within the Union, and the satisfactory results brought about in Europe and elsewhere, wherever the sugar industry is successfully introduced, would indicate that this is now the most conspicuous direction in which American enterprise, American capital, and American labor can find employment. It should be the effort of American legislation to create and promote an American sugar industry.

When the law of October 1, 1890, was enacted there was considerable confidence developed in the permanence of the law. The Louisiana planters, most of whom are Democrats, earnestly protested against the enactment of the bounty law, preferring the preëxisting arrangement. The law having gone into effect despite their protests, they accepted it in good faith, and its apparent permanence enabled the planters of Louisiana to borrow considerable sums of money, and large investments were at once made in improved machinery, and enormous progress has been made during the three years that are now elapsing.

The first crop produced under the bounty law, that of 1891, was but 180,000 tons; that of 1892, 226,000 tons, and that of 1893, from present indications, will exceed 250,000 tons.

This would show an annual increase of from 10 to 20 per cent, which has been brought about largely by the presumed permanence of the law of 1890.

In our industry it has required the full effect of the bounty law to cover the increased cost of our machinery, of our general supplies, and of our labor over the cost of the same to competing nations, and to cover the bounties paid by them. Any shrinkage or reduction would stop our progress and gradually destroy the industry. The first effect would be to destroy the small proprietors who are now having a hard struggle to meet the new conditions of capital and apparatus that our industry demands. Yet these are the men upon whom our industry most depends, they have been born and reared in it, and if by any fair means they can be sustained in it until they become self-sustaining it would seem proper that it should be done.

The law of 1890 has seemed to us as a definite concession to the sugar producers of the United States for fourteen years, three of which will have soon elapsed. It has seemed to us to be an obligation of the Government to all sugar producers in the United States, made with the purpose of developing the industry and placing it in successful competition with the other sugar producers of the world, whose cheap labor and cheap capital have threatened our destruction.

This, and the progress that we have made under the law, the permanency of the same, the difficulties created by any change, the possible complications arising from our various reciprocity treaties, and the fact that the welfare of our State and of our people, the majority of whom are identified with this great industry, will be imperiled by any change, lead us to ask that the law of October 1, 1890, in respect to sugar, be maintained.

It is a well-known fact that the Louisiana planters protested against the enactment of the bounty provisions of the McKinley act. Most of them being Democrats in their party affiliation could not bring themselves to so abrupt a departure from the former fiscal policy of the Government. But we are now free to say that under its provisions an immense impetus has been given to the sugar industry of our State. Thousands of acres of lands have been reclaimed and put in order to grow cane. Very large central factories have been erected at the cost of many millions of dollars in different parts of the State. Skilled chemists, mechanics, and manufacturers have been sought for everywhere and when obtained given employment. The planters and sugar manufacturers of Louisiana have used all of their available capital and pledged their credit for years in order to obtain means to promote the growth of cane and the manufacture of sugar. It is not too much to say that $10,000,000 has been expended in our industry in the State of Louisiana alone in the past year. We, therefore, view any change of the system with alarm extending to consternation. We have been led to believe that the bounty enactment was in the nature of an agreement or contract with the sugar-growers and the Government. Indeed, Mr. McKinley in presenting the bill of the Committee of Ways and Means to the House so declared in words that admit of no other interpretation. Governor Gear, a member of the committee, went equally as far in his speech in favor of the bill. The circuit court of the United States, three judges concurring, in the celebrated Calder case,

decided that the act was a contract between the Government and the sugar-growers, which could not in good faith be abrogated.

The law declares that from July, 1890, to July, 1905, this bounty shall be paid to those who will engage in the production of sugar. The term of fourteen years is specifically fixed in the law. The money was appropriated for the whole term, and we claim that it would be the grossest violation of public faith if it should be abrogated.

We respectfully call the attention of the committee to the fact that our industry was used by the late Administration as the lever to force reciprocal trade regulations with Spanish and Central American Governments by which other industries of the United States have been made to profit largely. Spain was forced to open the ports of Cuba to the product of the United States. Brazil, Venezuela, Mexico, and many others have opened wide their ports to the admission of American products. An immense stimulus has been given those peoples to produce sugar for the American market. Since the establishment of reciprocity treaties many millions of dollars have been expended in Cuba, Brazil, and other sugar-producing countries, and you must see that to take from us the bounty pledged by the Government would be to prostrate an industry by the increased competition with those sugar-producing countries which our laws and treaty stipulations have so much stimulated.

Mr. BRYAN. Did I understand you to say your sugar-planters protested against the change from the tariff to a bounty?

Mr. DYMOND. Yes, sir.

Mr. BRYAN. What was the ground of that protest?

Mr. DYMOND. They presumed there was danger of the permanency of it.

Mr. BRYAN. You would rather risk permanence in a tariff than in a bounty?

Mr. DYMOND. That was the view, especially of the Democratic members of the committee at that time.

Mr. BRYAN. Why was it that you feared the permanence of a bounty more than a protective tariff?

Mr. DYMOND. Well, sir, we feared the permanence of it because it was contrary to the Democratic tenets in which we were reared—that is, most of us.

Mr. BRYAN. You think as far as principles are concerned that it violates general principles more to collect a bounty and give it to you than to let you collect a bounty yourself through a tariff?

Mr. DYMOND. Well, sir, I can only speak for myself, as in Louisiana we have all shades of political belief; but so far as I am personally concerned I might say I am a believer in the incidental protection as defined by Thomas Jefferson.

Mr. BRYAN. Do you think, then, that a tariff which would collect eight times as much as you receive from it would be safer for you than a bounty which simply collected from the people what you receive?

Mr. DYMOND. There is a revenue side to that question, and ordinarily the result of the sugar duty has been so highly appreciated by both political parties that we have had no very serious trouble thus far.

Mr. BRYAN. Now, is it not a fact your fear arose from this: You were afraid the people would not pay one-eighth the amount if they knew as readily as they would the whole amount if they did not know?

Mr. DYMOND. Well, sir, we do not analyze it in exactly that way. We felt we did not like to be singled out as the only industry, with all respect to you gentlemen who thought differently—we did not think it

was fair to take one industry and single it out and place it under a different fiscal control than any other great industry of the country.

Mr. BRYAN. Do you think if this tariff is continued the industry will soon supply all our wants?

Mr. DYMOND. I do not think very soon, but I think that it has progressed as rapidly as any other great industry of the country engaged in producing, and that——

Mr. BRYAN. Do you know what was the proportion of the sugar produced in this country twenty years ago?

Mr. DYMOND. In 1860 we produced about 25 per cent.

Mr. BRYAN. How is it now?

Mr. DYMOND. Twelve and one-half per cent with an immensely increased consumption.

Mr. BRYAN. So your production has not increased as rapidly as population?

Mr. DYMOND. But our industry was annihilated, therefore they are not comparable.

Mr. BRYAN. Take 1873, twenty years ago; what proportion did you produce then?

Mr. DYMOND. We produced then about 15,000 tons.

Mr. BRYAN. About what was the proportion to the consumption?

Mr. DYMOND. The total consumption of the country at that time was 100,000, 110,000, or 120,000 tons. It was about the same proportion as it is now. It was about one-twelfth at that time; that was about the lowest.

Mr. BRYAN. You have made progress?

Mr. DYMOND. Yes, sir.

Mr. BRYAN. You believe that the time will come when you can produce sugar as cheaply as it can be produced abroad?

Mr. DYMOND. We believe we can.

Mr. BRYAN. What is your ground for that belief; where will the economy come in?

Mr. DYMOND. The main grounds are these: The industry has proceeded under old-fashioned processes in which many million dollars were invested. Then came the time when the industry was overthrown, when almost every planter who had a debt to pay was sold out by the sheriff, and as the new men were not familiar with that industry they left it to the old people who knew the industry, and thus it has taken longer than it otherwise would have been done if new men and new capital had gone into it and the older ones had just been wiped out.

Mr. BRYAN. Where do you think the economy in production is going to come in in order to compete with foreign countries hereafter?

Dr. STUBBS. I will answer that, by enlarging the productive capacity of the cane and increasing the cultivation in the field. We have already doubled the crop in the last ten years and doubled the production of sugar from the cane.

Mr. BRYAN. By that process you expect to be able to live without the tariff in——

Dr. STUBBS. We hope before the end of fourteen years to live without it.

Mr. BRYAN. Are you any better off than you were three years ago?

Dr. STUBBS. Yes, sir; we have increased our acrerage from 185,000 acres to 268,000 acres, nearly 100,000 acres gain in three years.

Mr. BRYAN. Have you increased the product per acre?

Dr. STUBBS. Yes, sir; when I was here before in 1890 it was 18

tons to the acre as the average of the State, and this last year we have gone over 20.

Mr. BRYAN. Because it happened to be a good crop?

Dr. STUBBS. No, sir; on the contrary.

Mr. BRYAN. If you could produce sugar three years ago for 2 cents a pound and you have increased your productive power, can not you produce it now for less?

Dr. STUBBS. We have a few who can do it; but remember we have to carry 1,100 planters, and money is hard to get, and to make a first-class sugar plantation takes from $250,000 to $500,000.

Mr. BRYAN. So some planters can produce sugar for less than 2 cents a pound?

Dr. STUBBS. I do not know, but they can make sugar cheaper than the small planters.

Mr. BRYAN. And you want a bounty to enable the small planters to make sugar?

Dr. STUBBS. We want a bounty long enough to get the industry upon an assured basis; long enough to supply scientific methods until we get all there is in the cane and make an economic crop in the soil.

Mr. BRYAN. If the large planters can produce more cheaply than the small planters, and you have a bounty to enable the small planter to produce——

Dr. STUBBS. You do not catch the idea, sir. The small planters are being destroyed, so far as the manufacture of sugar is concerned, but they are selling cane to the large central factories which work 1,000 tons a day. A large central factory may make sugar for $2 a ton, whereas a small factory can not make it for less than $3 or $4.

Mr. BRYAN. So the larger planters are gradually running out the smaller men?

Dr. STUBBS. No; we are making a better man of the small men. He has an opportunity to sell cane and get a better price than ever. We are trying to imitate the central system of Germany, which is, having the farmer grow cane and the capitalists supply manufacturing stations. Heretofore the planter, being a manufacturer and a farmer together, had to run a thousand or two thousand-ton factory at his own expense.

Mr. BRYAN. I made a computation from your figures and it will take 3,125 square miles to produce all the sugar which we consume in this country.

Dr. STUBBS. Two millions divided by 640; that is about right.

Mr. BRYAN. That would be a strip of country of about 60 miles long and a little over 50 miles wide?

Dr. STUBBS. Yes, sir; solid.

Mr. BRYAN. And the bounty paid on that would be $80,000,000.

Mr. STUBBS. Yes, sir; our tariff the year before the bounty law was passed was $65,000,000.

Mr. BRYAN. More than seven-eigths of that went to the Government, while in this case it all goes to your people!

Dr. STUBBS. If we get that.

Mr. BRYAN. When you are able to supply the whole country with sugar you will cultivate a piece of ground of the enormous size of little over 50 square miles and receive $80,000,000, that will be the ultimate object to which you aim?

Mr. GEAR. Is not the tendency of this new phase of affairs to start central factories where the small farmer can bring cane and sell to them without going to the expense of putting up machinery?

Dr. STUBBS. That is exactly what the small farmers are trying to do.

They are trying, by associations or by other means, to organize factories themselves.

Mr. GEAR. It takes a large amount of capital to start one of these factories—half a million dollars?

Dr. STUBBS. Yes, sir.

Mr. GEAR. If you get these large factories started you immediately start a market and that will give employment to labor in these central factories?

Dr. STUBBS. That is the case.

Mr. BYNUM. I understand you to say you have a contract with the Government for the bounty; I just want to say I differ from you: and you may have a case against the Governor, Gear, and Mr. McKinley for damages.

Dr. STUBBS. We will retain you.

Mr. GEAR. Retain Brother Bynum in that case and we will be glad to have him, and I will turn the defending of the case over to my friend, Governor Warnouth.

Dr. STUBBS. In my statement to Mr. Bryan—and I wish he was here to hear this—he stated that an area of 60 by 50 miles would grow the sugar consumed by the United States. From my remark it might be inferred that entire block would only be needed and that perhaps can be furnished by Louisiana. I want to state in the meanwhile the beet-sugar industry could be established all over the United States and it could be developed; and I wish to supplement that remark with this, that in our sugar growing we have a rotation of crops which involves four times the area of the land he mentions. Every crop is like sugar, but we have to have a rotation of crops and that involves about four times the area of land which is actually in sugar.

The accompanying letter has been submitted in explanation of Dr. Stubbs' testimony:

SUGAR EXPERIMENT STATION,
Audubon Park, New Orleans, September 28, 1893.

To the Editor of The Times-Democrat:

On my return from Baton Rouge I was amazed at a two-column article in your daily, headed "Planters Aroused." "They Deny a Statement Attributed to Prof. Stubbs," etc. After reading the article I was further amazed to know how you obtained this statement. I was referred to your issue of September 20, containing an account of the reception by the Ways and Means Committee of the House of Representatives of the delegation of sugar planters from this State.

I had the honor of being a member of this delegation, and in the account referred to I find the following question and reply upon which the two-column article of to-day is based:

"Mr. BRYAN. If you could produce sugar then for 2 cents a pound, and you have increased your productive power, can you not do it now for less?

"Prof. STUBBS. We have a few who can do it, but remember, we have to carry 11,000 plantations and money is hard to get, and to make a first-class sugar plantation requires from $250,000 to $500,000."

Now, Mr. Editor, the omission of the word "bounty" after "2 cents a pound" in the above, and in another question following this, has caused the article in to-day's paper. Had I seen this article of the 20th instant I should have corrected it, but my absence in Washington and my visit to Baton Rouge immediately on my return prevented me from seeing it, and I had no knowledge of the error or omission until to-day. Please permit me to give a correct account of the questions asked me by Mr. Bryan and my replies.

After questioning Mr. Dymond as to the progress of the sugar industry, Mr. Bryan asked me:

"What were the main grounds for believing that at the end of the prescribed time of the bounty (fourteen years) that we could grow sugar cheaper than at present?"

I replied: "That Louisiana could compete with foreign producers by enlarging the production and increasing the yield, both in the field and in the sugar house; that by adopting better methods of cultivation we had already greatly increased the

tonnage, and by the use of improved machinery and better methods of work we had greatly increased the pounds of sugar from a ton of cane."

Mr. Bryan asked if we had increased the product per acre. I replied that in 1890 the average yield per acre was 18 tons; that this year it would be over 20 tons.

Mr. Bryan said: "If you can now produce sugar, with 2 cents per pound 'bounty,' and you have increased your productive capacity, can you not do it now for less (bounty or duty)?"

I replied that we had a few planters who might do it, but our small planters (of which we had several hundred) could not. Their sugar houses were imperfect, and it required $250,000 to $500,000 to equip a first-class plantation. They had not the means, and with the removal of the bounty they could not hope to succeed.

Mr. Bryan. "Then there are some who can produce sugar without the 2 cents bounty?"

I replied that I was not certain about this; that there were several practical planters around me who could more definitely answer this question.

I then described the advantages of the central factory system to small cane growers, and said: "We want the bounty long enough to get our industry on a sure and permanent basis—until scientific methods will secure the last pound of sugar that there may be in the cane."

Not a single allusion was made in our interview as to the cost of growing cane, and had such an erroneous statement as is charged to me been made in this interview, surely some one of the following planters who were present would have contradicted it immediately, viz: Messrs. Dymond, Henry McCall, Richard McCall, James P. Kock, Leon Godchaux, Benjamin Oxnard, Henry Laws, F. B. Hoffman, ex-Gov. H. C. Warmoth, and Hon. Andrew Price. All of these will substantiate the truth of the above assertions. It is gratifying to know that most of the planters interviewed yesterday believed that I was misquoted.

WM. C. STUBBS,
Director.

SUGAR.

(Schedule E.)

NORTH BEND PLANTATION,
Foster P. O., La., December 20, 1892.

Being a sugar planter in Louisiana, although not a resident of that State, I feel a lively interest as well as serious apprehension about the inevitable legislation as affecting the sugar-producing interests in this country, and I also appreciate the fact that it is one of the difficult questions to be met in the adjustment of the tariff.

Will you, therefore, permit me to make a suggestion to obviate, as I think, the difficulties which are to arise in adjusting this question, namely, to leave all enactments and treaties relative to sugar importations and production undisturbed as they now exist, and in lieu thereof impose an internal-revenue tax of, say, 1 cent a pound on all imported sugars and all sugars produced in this country above a certain quality, say No. 20, (?)Dutch standard in color.

Such a tax, I suppose, would produce a revenue of $35,000,000 annually, and yet leave a portion of the domestic production free of tax, namely, the lower grades of cane, sorghum, and maple sugars, which sugars, although not generally used by well-to-do people, yet are pure and find customers among the farmers of the South and West, the laboring people generally, and especially among the colored population, thus giving the poorer consumers a pure sugar of domestic production free of all taxes, and relieving the producers thereof from the burden of the tax which this class of sugar could not bear, by reason of its low polarization, which, when below 80° purity, is not entitled to any bounty. Consequently the burden of the tax would be borne by the people who could best *afford it.*

An internal-revenue tax is, I think, quite in accord with the principle of "taxes for revenue only," and, as affecting sugar, would be an extension of the same tax now imposed on whisky, tobacco, oleomargarine, etc.

It (the tax) would have the convenience to leave recently made treaties, based on free importation of sugar, undisturbed, as well as the benefits of said treaties to the agricultural and other interests in the United States.

It (the tax) would leave the bounty on sugar intact for the protection of this needy industry as well as to foster the new enterprises in producing beet sugar, which promises to be one of the most important agricultural industries in this country, and in the promoting of which large sums have been expended, induced by the provision of the law granting a bounty on domestic sugar for a fixed period—which expenditures also apply to extension of cane-sugar production by reason of the said inducement and in which it is thought the parties thus engaged and adventuring their means may have legal rights to contend for.

It (the tax) would, however, have the effect of lessening the bounty by one-half on all sugar polarizing above 90 degrees, and more than one-half, of less polarization, by reason of payment by the producers of the internal-revenue tax. Thus without repealing the bounty would neutralize its objectionable features.

If these suggestions should find favor with the President and Congress I have no doubt by the time of expiration of the bounty on sugar this country will so enlarge its productions that it will be independent of foreign nations for this necessity of life and in very few years materially lessen the large amount of money now sent abroad for sugar.

The capability of the United States to produce beet sugar, I am credibly informed, is unlimited.

Permit me also to state, from my own knowledge of cane-sugar production in this country, that it can not be made without advantages derived from duties, or the substitute, bounty, in competition with countries favored with more suitable climate to its growth, as well as cheaper labor and cheaper machinery, and were the protection to this industry to be withdrawn the immediate consequence would be the abandonment of cane-sugar production and utter ruin of the sugar-planting interest, and the impoverishing of a large community by rendering worthless their estates, and distress to the colored people, now the best paid of that class in agricultural pursuits in the United States, and of which I am informed there are 400,000 in the sugar district, as well as to nip in the bud the new industry of beet-sugar culture.

It would also unfavorably affect the farmers of the Western States who supply the sugar-producing districts with grain, flour, meats, etc., and the manufacturing interests which supply the machinery to manufacture sugar as well as the implements for its culture.

Pardon me for touching upon some of these reasons to continue the protection to the sugar industry, and be assured that it is not altogether from selfish motives, but from my acquaintance with and esteem for a worthy class lately emerged from impoverishment by a disastrous war in which their ancestors engaged, and yet for a generation have loyally supported the Government which they love, and have contributed their share to the support of their conquerors (now pensioners) without a murmur, and have been true to their political creed, even when their interest dictated a contrary political course.

Shall they now be disappointed in obtaining as much consideration from their political friends as they received from opponents?

I am aware that my suggestion is not in accord with the sentiment that bounty is an innovation on the old method of fostering and protecting needy industries, but the policy of Government which inaugurated it evidently meant to act in good faith toward one branch of American agriculturists by a novel method in order to carry out a trading policy with other nations for the benefit of much greater American industries, both of agriculture and manufacture, and thus sought to make the policy permanent by fixing a period to the benefit accruing to an industry that would be sacrificed to accomplish the greater result, and by making its policy still more permanent by entering into compacts with foreign nations the abrogation of which would seem not to act in good faith toward them.

The suggestion, however, is in accord with a still more ancient principle of popular government, namely, "compromise of divergent sentiments."

My conviction of your patriotism and justice emboldens me thus to address you, Mr. President, and to assure you of my highest esteem and well-wishes for your success in promoting the welfare of this nation.

S. M. SWENSON.

CANE SUGAR.

(Schedule E.)

ST. LOUIS, *September 14, 1893.*

SIR: Permit me to call your attention to a few facts in connection with the present duty on refined sugar. While your committee is doubtless thoroughly acquainted with the principles and results of the tariff in general a few details of its working may be of interest.

The present duty of one-half cent per pound not only gives the trust the amount of this duty as profit, but a far greater profit in addition, as it enables the trust to keep out all foreign refined sugar and to put the price where it pleases. When the present tariff went into effect large quantities of refined sugar were imported, but the trust by reducing the price to a point which netted a loss of one-fourth per pound to importer while still leaving the trust a profit of one-fourth, has prevented all importation of refined sugar for the past two years, although the price of granulated has on an average been fully 1 cent per pound above the price foreign granulated could be laid down for free of duty.

The price of refined sugar is now within one-half cent of what it was before the tariff was reduced, while the raw is about 1½ cents lower. If the duty were either taken off of the refined or put on the raw sugar the result would be the same—an immediate decline in granulated sugar—for in either case the possibility of importing it would force the trust to reduce its prices.

In conclusion, I beg to state that nine-tenths of the sugar used by the people is granulated.

Yours, respectfully,

J. M. WULFING.

GLUCOSE.

(Paragraph 240.)

NEW YORK, *September 11, 1893.*

SIR: The duty on glucose was formerly 20 per cent ad valorem; the McKinley tariff raised it to three-fourths of a cent a pound. Now, I think this article might go on the free list, or if a duty becomes necessary for revenue purposes one-fourth of a cent a pound would do.

The domestic manufacturers need no protection; they swamp the foreign markets with their goods; they sell glucose here to the consumer at 2 cents a pound. The foreign costs this year, without duty, to land $3.17 per 100 pounds. This year is about an average for German glucose; it has been a great deal dearer in some years; in but a few years it was cheaper by a fraction.

The import of glucose through high price of raw material in Europe and the higher duty since the enactment of the McKinley tariff has been reduced to a very small quantity.

Yours, respectfully,

VALENTINE LOEWI.

LEAF TOBACCO.

(Paragraph 242.)

FRIDAY, *September 8, 1893.*

STATEMENT OF MR. LOUIS MERFELD, OF THE FIRM OF JOSEPH MERFELD & CO., OF BALTIMORE.

Mr. CHAIRMAN: We do not wish to detain you with any lengthy speech, for we know your time is valuable. We have drawn up a set of resolutions, and with your permission we will read them, and any questions thereafter we will answer with pleasure:

We, the undersigned cigar manufacturers and makers and dealers in leaf tobacco of the city of Baltimore, in the State of Maryland, do most respectfully petition you to report an act for the repeal of the onerous and oppressive import duty levied upon Sumatra and Havana wrappers suitable for the manufacture of cigars, viz: $2 per pound on all unstemmed leaf tobacco and $2.75 per pound on all stemmed leaf tobacco, and to substitute in the place of the same a specific duty of 35 cents per pound.

The said duty of $2 and $2.75 per pound was placed upon the above-named class of leaf tobacco by what is known as the McKinley tariff bill at the solicitation and for the benefit of a few tobacco-growers in the States of Connecticut, Wisconsin, and Pennsylvania. It is a protection of at least 500 per cent to those growers, it being a fact beyond controversy that they never received over 35 cents per pound for their tobacco prior to the passage of the act imposing said duty of $2 and $2.75 per pound as aforesaid.

Said act was, by the imposition of such onerous duty, intended to prohibit the importation of leaf tobacco suitable for "wrappers," and thus compel the cigar manufacturer to work only the domestic product, which is not suitable for that purpose and does not meet the requirements of our trade.

The experience of the last two years demonstrates to us that we can not manufacture cigars successfully without using "wrappers" grown upon the islands of Cuba and Sumatra.

If it were possible for the American tobacco-growers to furnish "wrappers" equal to those grown elsewhere, and if the imported article was sold at a price less than said growers could afford to furnish it, then there would be some excuse for levying such an enormous import duty, but we do not see the justice of taxing an article which we can not produce, which does not come into competition with domestic production and which we can not do without, for the exclusive benefit of two or three thousand farmers in the States heretofore mentioned, to the detriment of three hundred thousand cigar manufacturers and cigar-makers, besides the several millions of consumers of cigars in this country and particularly is this the case when the imported "wrappers" cost 300 per cent more in the markets of Havana and Amsterdam than the American product can be purchased for in the markets of this country.

Furthermore your petitioners show that said duty under the McKinley bill is a serious injustice to the small manufacturer, whose means are limited and who is unable to pay the amount of said duty—about $3.50 per bale—cash.

Thus said duty tends to create a monopoly and to force business into the hands of the larger and wealthier manufacturers, who can pay when goods are taken out of bond.

We would further add that the cost of cigars to the manufacturer is increased by the internal revenue tariff of $3 per thousand. This together with said duty of $2 and $2.75 per pound necessitates either that the manufacturer economize in the filler used or decrease the wages of his workman, as the consumer does not and will not pay the additional cost of the goods.

Respectfully,

FREEMAN BROS. & CO.
C. C. GUISE.
CHAS. F. UHLENBERG.
And others.

I would further add since these resolutions were drawn up, which was in April, we have heard some talk about an ad valorem duty. I do not know that we can express our opinion any better than to read an extract from a letter which I received just previous to arriving here from Mr. F. A. Schroeder, of New York, who is also in the business:

There appears to be some fear that an ad valorem duty may be placed on tobacco. On this point all branches of the trade are unanimous, viz, that it would be a most unwise proceeding on account of the chances for fraud that would thereby be given to the dishonest importer. There is almost a unanimous opinion also that there should be a uniform rate of duty on all imported tobaccos, not alone on account of the possibilities of fraud, but also because of the difficulty to distinguish so-called wrapper grades from filler grades in Havana tobacco.

Now, gentlemen, if there are any questions to be asked I will be pleased to answer them.

Mr. REED. Has the consumption of Sumatra tobacco been lessened in this country by this act.

Mr. MERFELD. No, sir.

Mr. REED. Then the revenue has been very much increased to the country?

Mr. MERFELD. I will answer that question by also stating, No, sir; and I can explain to you why I answer it in that way. At the time the McKinley bill was agitated the importation of this tobacco exceeded any year previous, or since that time.

Mr. PAYNE. Then it has decreased?

Mr. MERFELD. The consumption has not decreased.

Mr. PAYNE. The importation has been a lesser amount?

Mr. MERFELD. Probably in the last few years.

Mr. REED. In your judgment, would the importation in the future be any less?

Mr. MERFELD. If it remains at $2, no, sir; we have embodied that in this petition.

Mr. REED. Is it absolutely essential that you should have it?

Mr. MERFELD. Yes, sir.

Mr. GEAR. Why do you have to have that? Does the wrapper of the cigar add anything to the flavor of the cigar at all?

Mr. MERFELD. I can answer that question by stating to you that in later years the eye has become the factor entirely. In former years there were some people who smoked cigars who judged the flavor correctly, but in later years the eye has become entirely the factor.

Mr. GEAR. Is it not a matter of fact that the Sumatra tobacco has no smoking qualities which add anything to the flavor?

Mr. MERFELD. Yes, sir.

Mr. GEAR. So that Sumatra tobacco adds nothing to the flavor, then?

Mr. MERFELD. But, on the other hand, it does add, to answer your question correctly, because it detracts from the filler in domestic goods; I will exclude one state, but the balance of them I will say it lessens the flavor of the filler. I am speaking of the Havana filler now; I want that understood.

Mr. GEAR. It adds nothing to the value of the smoking qualities of the cigar, but simply pleases the eye?

Mr. MERFELD. Sumatra? I say it does; I have answered that question.

Mr. GEAR. You are an exception from any cigar man I ever talked with.

Mr. MERFELD. I can not help that.

Mr. PAYNE. I do not suppose you will find a man living who smokes *a pure Sumatra* tobacco cigar, because it is bitter.

Mr. MERFELD. You are right about it being bitter so far as the filler is concerned.

Mr. PAYNE. If the cigar is made entirely of Sumatra tobacco, no man could smoke it, because it is so bitter?

Mr. MERFELD. That is right, sir.

Mr. PAYNE. This Sumatra tobacco is a very thin leaf?

Mr. MERFELD. Yes, sir.

Mr. PAYNE. And 1 pound of it will go as far as 4 pounds of American wrapper?

Mr. MERFELD. One pound would go about as far as, I should say, 3 pounds.

Mr. PAYNE. Some say 4?

Mr. MERFELD. I should say 3.

Mr. PAYNE. I am not a cigar-maker. Now, the American tobacco prior to the act of 1890 was used largely for fillers and binders?

Mr. MERFELD. Yes, sir.

Mr. PAYNE. But seldom any were used for wrappers?

Mr. MERFELD. There were some used for wrappers.

Mr. PAYNE. But very little was used for wrappers?

Mr. MERFELD. I would not be answering you truthfully if I said very little.

Mr. PAYNE. Well, a very small percentage?

Mr. MERFELD. A small percentage.

Mr. PAYNE. That is a little different. So I state a fact when I say the grower of American tobacco had to sell his entire crop for the price ot fillers and binders?

Mr. MERFELD. No, sir.

Mr. PAYNE. Do you know anywhere the American grower got more than the price of fillers and binders in 1889 in the United States?

Mr. MERFELD. I know in buying tobacco in Connecticut and central Pennsylvania——

Mr. PAYNE. Of the farmer?

Mr. MERFELD. Yes, sir; I will only speak of the farmer. I bought it on the farm. I am in the leaf-tobacco business; in answering these questions I would rather the cigar manufacturer should do so. Now, I bought tobacco and paid so much for the wrapper, so much for the binder, and so much for the fillers.

Mr. PAYNE. 1889?

Mr. MERFELD. In 1887, 1888, and 1889.

Mr. PAYNE. What did you pay him?

Mr. MERFELD. Various prices; we paid as high for some grades in Lancaster County, Pa., which we consider the best in Pennsylvania, as 22, 8, and 3; 25, 7, and 3, depending upon the quality.

Mr. PAYNE. Did not you buy the entire crop in Lancaster County, Pa., prior to 1889 at less than 6 cents a pound?

Mr. MERFELD. I can safely say I did not. Our house bought one crop in the State of Pennsylvania, taking it on an average, only one at less than 12 cents a pound.

Mr. PAYNE. Did you buy it of the grower for 12 cents a pound?

Mr. MERFELD. Yes, sir.

Mr. PAYNE. Was not that about the average price for two or three years prior to 1890?

Mr. MERFELD. Well, in several years they received a little more than the average price. Previous to 1890 they received a slight increase over that.

Mr. PAYNE. Well, 12 cents was a pretty good price?

Mr. MERFELD. Well, along there.
Mr. PAYNE. But it costs about 13 cents a pound to produce it?
Mr. MERFELD. I say no, sir.
Mr. PAYNE. They claim that.
Mr. MERFELD. They may. I claim the farmer can produce it.
Mr. PAYNE. That is their idea. Now, since the act of 1890 has the price increased?
Mr. MERFELD. The price has not increased.
Mr. PAYNE. To the domestic producer?
Mr. MERFELD. Not in Pennsylvania.
Mr. PAYNE. Did you ever buy in New York?
Mr. MERFELD. I handle it, but I have not bought in person from the farmer.
Mr. PAYNE. Have you ever bought any tobacco from the grower, say, in the neighborhood of Baldwinsville?
Mr. MERFELD. I handle that tobacco, but I have not bought directly.
Mr. PAYNE. Has it not largely increased over the domestic tobacco of 1890?
Mr. MERFELD. I said Pennsylvania; I did not say New York.
Mr. PAYNE. Do not you know?
Mr. MERFELD. I know I have bought cheaper than I did previous to 1890 in New York State.
Mr. PAYNE. Cheaper than now?
Mr. MERFELD. Yes, sir.
Mr. PAYNE. You say the price has fallen for domestic tobacco?
Mr. MERFELD. For this reason. I can say I am buying for less. The reason I am buying that tobacco for less is, all we have purchased is white vein goods and cannot be used for wrappers. That is an indisputable fact.
Mr. PAYNE. Then you never use the New York tobacco in making the wrapper?
Mr. MERFELD. I said part of the tobacco of New York.
Mr. PAYNE. You say that crop could not be used?
Mr. MERFELD. Very little, if any, that I have seen in buying about 2,000 cases.
Mr. PAYNE. How about Connecticut tobacco?
Mr. MERFELD. I handle that tobacco.
Mr. PAYNE. Has the price increased since 1890?
Mr. MERFELD. Yes, sir.
Mr. PAYNE. Largely?
Mr. MERFELD. Last year, largely; yes, sir.
Mr. PAYNE. You do not know as a fact that tobacco lands in New York State have gone from $50 to $400 and $500?
Mr. MERFELD. I do not know that. I stated I had not been up there.
Mr. PAYNE. You do not know tobacco lands have largely appreciated in price since 1890?
Mr. MERFELD. Yes, sir; but I am not in the land business. I am in the tobacco business.
Mr. PAYNE. You never saw tobacco sold in Lancaster County as low as 6 cents a pound?
Mr. MERFELD. I think when the crop was an entire failure that they sold it for less than 6 cents a pound.
Mr. PAYNE. When was that?
Mr. MERFELD. 1881, sir. That year the entire crop was a failure.

Mr. PAYNE. In 1890 did it sell at 6 or 7 cents a pound in Lancaster County, the entire crop?

Mr. MERFELD. No, sir.

Mr. PAYNE. You buy there?

Mr. MERFELD. I do; yes, sir.

Mr. PAYNE. You say a few farmers from Connecticut and Pennsylvania——

Mr. MERFELD. I will when you ask the question.

Mr. PAYNE. You say a few farmers wanted this duty increased in 1890?

Mr. MERFELD. I stipulated about the number; I said Wisconsin, Connecticut, and Pennsylvania.

Mr. PAYNE. You had not heard from any of the other sections of the country?

Mr. MERFELD. I had not.

Mr. PAYNE. Have you any idea as to how many farmers are engaged in raising tobacco in this country?

Mr. MERFELD. Well, I have an idea how many are raising cigar leaf.

Mr. PAYNE. I said raising tobacco?

Mr. MERFELD. No, sir; I am only in the cigar-leaf tobacco; I am not in any other branch.

Mr. PAYNE. Are there as many manufacturers as prior to 1890?

Mr. MERFELD. I should say no, sir.

Mr. PAYNE. Have some gone out of the business?

Mr. MERFELD. Yes, sir.

Mr. PAYNE. The consumption is greater than 1890?

Mr. MERFELD. The consumption is greater? I do not think it is, than it was in 1890.

Mr. PAYNE. The law of 1890 also put a compensatory duty on cigars?

Mr. MERFELD. If it had been a just one. That is only my opinion, however. Understand me, I do not think we would have the right to come before you here, if it had been. In other words, in my opinion, if the wealthy man has derived the entire benefit of that duty placed upon cigars, and the poor man made to suffer, I do not think we would have the right to be here.

Mr. PAYNE. Then you think the additional duty did not add anything to the high-priced cigar?

Mr. MERFELD. It added so little we call it nothing in the trade.

Mr. PAYNE. And the cheaper cigars you say are higher?

Mr. MERFELD. On account of the $4.50 a pound duty.

Mr. PAYNE. Can not the domestic cigar be bought cheaper than before the act of 1890?

Mr. MERFELD. No, sir.

Mr. PAYNE. You say it costs more?

Mr. MERFELD. I do; they cost the manufacturer more to produce.

Mr. PAYNE. Do they cost more on the market; are not they retailed for a less price than before 1890, for some years?

Mr. MERFELD. They sell at the same price.

Mr. PAYNE. Now the higher grades of the Havana cigar are retailed at a higher price than before 1890?

Mr. MERFELD. They are.

Mr. PAYNE. Why do you say this has affected the poor man, and not the rich man, who buys the high-priced cigar?

Mr. MERFELD. I can illustrate to you in figures. For instance, you get a Havana; you go to Havana and buy a cigar in Havana that costs

$200—we will say that for easy calculation—a thousand. We will say that the cigar weighs there 20 pounds, for fair calculation, and, at $4.50, that would be $90, would it not? This is $290. Now your ad valorem on $200 we will not speak of. But here is a cigar that you can buy on the Island of Cuba for $50, and that cigar weighs, we will say, 15 pounds; there is $60 duty; that is the ratio, sir, 290 to 110.

Mr. PAYNE. Your idea is that the poor people of the country smoke Havana cigars?

Mr. MERFELD. I am not saying that.

Mr. PAYNE. You say they are smoking Havana cigars.

Mr. MERFELD. No, sir; I did not say that.

Mr. PAYNE. Then I do not see what relevancy your figures have?

Mr. MERFELD. I was speaking of the man who smokes imported cigars previously and who at the present time is smoking them still.

Mr. PAYNE. I suppose for that same reason you drop out the ad valorem duty on that?

Mr. MERFELD. No, sir; I granted that was fair, but I say $4.50 was not adequate to the cigar.

Mr. PAYNE. I see you are opposed to an ad valorem duty on tobacco? do you want ad valorem duty on cigars?

Mr. MERFELD. I am not here in the interest of the maker of the cigars. I am speaking for the importers of cigar leaf.

Mr. PAYNE. Are you an importer?

Mr. MERFELD. I am an importer of Sumatra and Havana tobacco.

Mr. PAYNE. That is where this thing affects you?

Mr. MERFELD. Yes, sir.

Mr. PAYNE. It is not so good for your business, is it, to have this high duty put on?

Mr. MERFELD. It certainly is not, or I would not be here.

Mr. REED. Why would it affect you if you are going to import as much?

Mr. MERFELD. It affects me that I would not be able to import as much because I have not the capital to import as much, nor do I think the majority of the people in the business have the the capital.

Mr. REED. If they have got to import it, they have got to get the capital?

Mr. MERFELD. They must, but I say it affects me in paying for that extra capital. I am speaking on the duty alone.

Mr. REED. It produces about five or six times the revenue for the Government at $2 as it would at 35 cents, and a government in search of a revenue would naturally continue it.

Mr. MERFELD. I could not dispute that fact.

Mr. REED. Therefore, if we find ourselves in that condition we may have to sacrifice you for the benefit of the nation?

Mr. MERFELD. That may be the case, sir; I am not speaking for myself alone.

Mr. REED. Of course you would not be a proper subject, not being a manufacturer.

Mr. MERFELD. No, sir; the manufacturer is buying of me.

Mr. SPERRY. Suppose a tax of $3 a pound were imposed, would we still use it?

Mr. MERFELD. Will you not allow a gentleman who is a cigar manufacturer to answer that question in place of myself?

LEAF TOBACCO.

(Paragraph 242.)

STATEMENT OF MR. C. H. BRENAMAN, OF BALTIMORE.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I am a manufacturer of cigars, and I have been in the cigar business all of my life, and I have been working Sumatra tobacco for the past nine years. Since the passage of the McKinley bill, which placed a duty of $2 a pound, we were forced to discontinue our Sumatra tobacco on certain cigars which we had formerly worked from the fact that the prices we were paying for it would not justify us in doing so. We have paid high prices for Connecticut tobacco, a superior filler to what I previously worked with Sumatra wrapper around it, and the goods did not give satisfaction. I have had more trouble in the conduct of my business in the last two years than I had in twenty owing to that fact. Previous to that we had no complaints of what we sent out, but we feel that the oppressiveness of this tax of $2 is too much and it ought to be reduced. I am a member of the association of cigar manufacturers who drew up these resolutions. We regarded that 35 cents a pound as ample protection for any grower of tobacco in the country. I hear a gentleman ask a while ago in reference to a clear Sumatra cigar. I have made some old Sumatra in my house and it makes a very sweet smoke. I simply rolled up one for myself to smoke and it makes a mild and sweet smoke if the tobacco is old. There are tobaccos which come from the island of Sumatra that are bitter and which I would not have in my place. I am a practical cigar-maker. I have been thirty-eight years in the business. I simply state this fact, as these gentlemen did not seem to be prepared to answer it.

Mr. PAYNE. I said that in view of what other practical men who tried to smoke Sumatra tobacco said, that it would burn any man's stomach, except it was a cast-iron one.

Mr. BRENAMAN. I understand. It was only recently I rolled up a cigar of this old cutting, so I happen to know.

Mr. REED. Did you cigar manufacturers have anything to do with increasing the duty on Sumatra tobacco, which was made in 1883?

Mr. BRENAMAN. I did not know that it was increased then, sir. I thought it was the duty of 35 cents a pound.

Mr. REED. At that time was it put up to 75?

Mr. BRENAMAN. It ran from 35 to 75 for wrapper leaf.

Mr. REED. Was not some effort made by the cigar manufacturers to have that duty increased to 75?

Mr. BRENAMAN. I do not know; some of the larger manufacturers may have wanted it.

Mr. REED. You do not know, as a matter of fact, whether they did or not?

Mr. BRENAMAN. No, sir; I do not. It requires, I know, just about double the amount of capital to run the business as it formerly did; and a man who starts in life, as I did twenty-two years ago, with a small capital, will take half of his capital to buy a bale of Sumatra. It operates very materially against a man who wants to start for himself in this life, and I think under our form of Government every man ought to have an opportunity.

Mr. BYNUM. Is it not a matter of fact that some large manufacturers urge that increased duty for that reason?

Mr. BRENAMAN. Yes, sir.

Mr. PAYNE. What one?

Mr. BRENAMAN. I would not want to name any particular one.

Mr. BYNUM. I have heard that statement made repeatedly, and I do not think there is any doubt about it.

Mr. BRENAMAN. Well, there is David Hirsh, of New York, who wants Sumatra to remain just as it is to-day.

Mr. PAYNE. Did he urge an increase in 1890?

Mr. BRENAMAN. He urges the holding of it at the present duty to-day. I know that eighteen months ago in the city of New York, after this tariff bill was passed there was a meeting of certain manufacturers in the city of New York, who held meetings for two or three weeks, with a view of getting up a stock company to manufacture cigars, with a capital of $50,000,000. That was published in the New York World, that is where my information comes from. That was gotten up with a view to go to Sumatra, and the Island of Cuba, and buy up all the tobaccos and create a monopoly and compel men with small capital like myself to go to work for them. But it fell through after all because there were too many little industries throughout the country engaged in the business, consequently, it dropped and nothing was done.

Mr. PAYNE. Does the manufacturer buy anything less than a bale of tobacco?

Mr. BRENAMAN. I do not know whether they break bales or not. I never bought less than several bales, but I hardly think they would.

Mr. PAYNE. How many hands have you employed?

Mr. BRENAMAN. I have in our factory 25 hands. I have had as high as 40 employés, 25 cigar employés, but I commenced with myself and three hands. Twenty years ago there were lots of people in the same situation with me, and a person could not have the same opportunity to-day. I think there would be more Sumatra consumed at 35 cents, and the Government would derive more revenue from it because it would spring up like similar manufactures.

Mr. PAYNE. I think there would be more revenue.

Mr. BRENAMAN. I believe under a specific duty of 35 cents there would be more young factories.

Mr. PAYNE. I think more would be consumed in time of this American tobacco?

Mr. BRENAMAN. Yes, sir. American tobacco we use as a binder. To-day you can buy Wisconsin tobacco at 8 and 10, and what protection is $2 a pound to the State of Wisconsin on tobacco? You can buy for 8 and 10 in the field to-day.

Mr. BYNUM. The best wrapper we have in this country is not sold for 50 cents a pound?

Mr. BRENAMAN. I never bought any as high as $1. I was shown tobacco last week, Connecticut tobacco, at 75 cents, where they happened to have a good crop. Some years the crops are a failure. If we had to depend upon the tobacco of this country we would have to shut up house.

Mr. PAYNE. That is better than the 30 and 40 cents a pound we used to get?

Mr. BRENAMAN. I have paid 35 cents a pound. Speaking about prices these gentlemen buy from the farmer. I do not buy tobacco to sell, I buy to work. I pay as high as 60 to 75 cents, and then I could not get the tobacco to please me to take the place of Sumatra. I still

work Sumatra. I have to have that to use upon fine goods, and I would work it altogether if the duty was right. I would consume that much more of it, and I believe every manufacturer in Baltimore who is engaged in the business would do the same thing.

Mr. PAYNE. I believe that is so.

Mr. BRENAMAN. I have also reason to believe that a lot of small factories would start up. All the people want is a chance. I have nothing more, gentleman, to say; I have given you my practical ideas.

Mr. TURNER. Do you buy your tobacco altogether from Pennsylvania?

Mr. BRENAMAN. No, sir; I buy it from dealers and importers.

Mr. TURNER. In recent years an effort has been made to produce a tobacco similar to that which Havana produces, specially in Florida. Has there been any success in that effort?

Mr. BRENAMAN. I have not seen any of it, sir. I have seen a hand and made a little, but not any quantity. I have made cigars of it to smoke, just to try, and it would not give satisfaction for my purpose.

Mr. TURNER. It would not be acceptable to the trade?

Mr. BRENAMAN. I do not think so. It is so very strong that you would not wish to smoke it.

Mr. TURNER. Have you tried to get the produce of Gadsden County, Fla.? Do you happen to remember what sort they make?

Mr. BRENAMAN. No, sir; I do not. I have only seen a small sample of the Florida tobacco that I told you of, and made a few smokers of it. It has the appearance of Havana in texture, but it is very strong tobacco, and it would not satisfy the general trade in my judgment.

Mr. TURNER. What effect has this increased duty on cigars had upon the weight of cigars? Have they been lightened and cheapened?

Mr. BRENAMAN. I do not know. I think——

Mr. TURNER. You do not happen to know this?

Mr. BRENAMAN. I have every reason to believe the weight has been lightened to save a little per pound duty.

Mr. TURNER. Now, in regard to the effect upon domestic cigars, do they lighten its weight?

Mr. BRENAMAN. I do not know it has affected the weight of the domestic cigar at all.

Mr. TURNER. You do not think it has had any effect upon it?

Mr. BRENAMAN. No, sir; there is this fact. I am identified with certain brands, and I have been making certain sizes under those brands right along, and I have not made any difference in the weight.

Mr. TURNER. Has there been any trust among the cigar producers, manufacturers, or consumers?

Mr. BRENAMAN. I have heard of no one except, as I mentioned, just after the passage of this bill an attempt was made to establish one.

Mr. TURNER. I mean trusts either among the buyers or among the purchasers of cigars.

Mr. BRENAMAN. I have not heard of any, sir.

Mr. TURNER. There was a large importation of Sumatra tobacco in anticipation of this increased duty, was there not?

Mr. BRENAMAN. Yes, sir.

Mr. TURNER. Has that stock been exhausted?

Mr. BRENAMAN. I think not, sir. I think the manufacturers are buying very sparingly.

Mr. TURNER. We consume large sums of money here in that way?

Mr. BRENAMAN. I should say so; I should judge the importation

amounted to considerable money. We have had to pay the difference, I know.

Mr. TURNER. Has the price of the Sumatra tobacco since the imposition of large duty varied much?

Mr. BRENAMAN. That I could not tell you. The only thing I could say is what I get from the papers which are published in New York, and they claim the price has advanced there.

Mr. PAYNE. Is the increase any greater in importations of Sumatra tobacco in 1890 over 1889, and 1889 over 1888, or 1888 over 1887?

Mr. BRENAMAN. I think they are gradually increasing each year.

Mr. PAYNE. There was a large increase each year, and was it not the same proportion down to the time of the passage of the act of 1890?

Mr. BRENAMAN. There was a larger increase in 1890 than any other year.

Mr. PAYNE. You would not want to state that positively?

Mr. BRENAMAN. No, sir; I would not, because I am not an importer, but if I was an importer I would be positive. I may be mistaken.

Mr. BYNUM. The Sumatra tobacco in Amsterdam sells at $1 a pound without any duty?

Mr. BRENAMAN. According to the papers, they ask $2 to $2.25 a pound. Mr. Merfeld is posted on that, however.

Mr. MERFELD. The Sumatra tobacco in Amsterdam, last year's sales, brought from 95 cents—I am speaking of goods fit for the American market and purchased for it—up to as high as $1.50, and in some instances $1.55. This is not counting the shortage in crop, and the prices are right here, and the lowest price paid on the goods I am speaking of was $1.31 and as high as $2.23 a pound.

Mr. PAYNE. We are large exporters of tobacco?

Mr. MERFELD. Yes, sir; grown in the States of Maryland, Kentucky, Tennessee, and Ohio. This would be used in this country for chewing and smoking tobacco, and is an entirely different business from our own.

Mr. PAYNE. The men you speak of in Wisconsin, Pennsylvania, and Connecticut are engaged in producing tobacco which may be used for wrapper leaf?

Mr. MERFELD. In Connecticut we admit the fact that there is some wrapper leaf. In Ohio there is none at all for any of the goods we speak about.

Mr. TURNER. The Sumatra tobacco comes in competition only with that which can be used for wrapper leaf?

Mr. MERFELD. It does not come in competition.

Mr. PAYNE. It curtails the use of the American wrapper leaf?

Mr. MERFELD. Only of the Connecticut, in my opinion. I do not speak of anything else.

Mr. SPERRY. How much was Sumatra tobacco worth a pound two years ago?

Mr. MERFELD. One dollar and twenty-five cents; some, of course, was cheaper, but I am giving you the average price, up to $1.75.

Mr. SPERRY. That was previous to this tax?

Mr. MERFELD. Yes, sir.

Mr. SPERRY. Is that light tobacco or dark?

Mr. MERFELD. It is all colors, but there was a little more dark tobacco used then than now.

Mr. SPERRY. How long ago was dark tobacco the fashion?

Mr. MERFELD. I guess about four years ago, four or five years.

Mr. SPERRY. Then this light tobacco sold the cheapest?

Mr. MERFELD. Yes, sir.

Mr. SPERRY. I see a quotation in this paper, "Finest light in bond, $2 to $2.25."

Mr. MERFELD. That is bond.

Mr. SPERRY. And I see, "Finest dark, 80 cents to $1.10."

Mr. MERFELD. I wish you would understand when you read that quotation—I suppose you are reading from the "Tobacco Leaf?"

Mr. SPERRY. Yes, sir.

Mr. MERFELD. When you read that I wish you to understand light tobacco is not all of the one grade.

Mr. SPERRY. It comes down to this, a mere matter of color may make a difference of $1 a pound?

Mr. MERFELD. It certainly does, between light and dark.

Mr. SPERRY. Light cigars have become fashionable?

Mr. MERFELD. That is the reason I say the eye had to be pleased, and it is not bought by quality any more.

Mr. SPERRY. Your judgment is the manufacturers of tobacco will have to meet that almost regardless of what they have to pay?

Mr. MERFELD. I think the manufacturers would be compelled to use Sumatra tobacco regardless of the price.

Mr. SPERRY. Will you give us your opinion as to how high you could carry this tax before you prohibit or discourage to some extent the use of Sumatra tobacco?

Mr. MERFELD. I have heard a great many manufacturers say that if you put it at any price they would have to take it, but they would have to go out of the business.

Mr. SPERRY. Would you think if the tax was $3 instead of $2 that we would not have about the same importation we now have?

Mr. MERFELD. I do not, because I think the small manufacturers would close out.

Mr. SPERRY. I am not talking now about the small manufacturers, we are speaking about the imports from which the Government derives a revenue?

Mr. MERFELD. I should not think there would be as many bales imported at $3 a pound.

Mr. SPERRY. But the increase of the duty from 35 to 75 cents and to $2 has not discouraged the importation?

Mr. MERFELD. I wish you would understand when you say 35 to 75 that I mentioned before that was a year considerable more dark tobacco was used than now, and the dark tobacco did not pay 75 cents duty.

Mr. SPERRY (to Mr. Brenaman). Are any cigars made now wrapped with domestic leaf?

Mr. BRENAMAN. Yes, sir.

Mr. SPERRY. What grade of cigars and what price?

Mr. BRENAMAN. Nickel cigars.

Mr. SPERRY. Anything above the nickel is Sumatra wrap?

Mr. BRENAMAN. Yes, sir.

Mr. SPERRY. So, if a man can afford to smoke a 6-cent cigar, he gets a Sumatra wrapper, and if he can only afford to smoke a 5-cent cigar he gets a domestic wrapper?

Mr. BRENAMAN. I put Sumatra around some nickel cigars, but the majority of them are made of the domestic wrapper.

Mr. SPERRY. If you are making a fashionable cigar you have got to bring your colors to the fashion. A few years ago the fashion was dark, and now it is light?

Mr. BRENAMAN. A few years ago we had a great demand for dark, and now we have a demand for light.

Mr. SPERRY. So, the fashion in the next two or three years may change back to the dark?

Mr. BRENAMAN. It is hardly likely, I think. Mr. Merfeld stated awhile ago in reference to the quality of the light wrapper——

Mr. SPERRY. I am speaking about the color only. How long have you been in the cigar-manufacturing business?

Mr. BRENAMAN. I learned my trade September, 1855, thirty-eight years ago.

Mr. SPERRY. Since then how many times has the fashion changed in regard to the color?

Mr. BRENAMAN. I think only twice to my knowledge.

Mr. SPERRY. Has it not been more than that? Refresh your memory.

Mr. BRENAMAN. I can not, for the simple fact that I have only been in business for twenty-two years myself. A majority of the people wanted the dark goods nine years ago.

Mr. SPERRY. When you first went into it they wanted the light leaf?

Mr. BRENAMAN. I can not say; in fact, I have no knowledge, as I was working at the business then and did not pay much attention to it.

Mr. SPERRY. In 1865 and in 1866 they wanted dark leaf?

Mr. BRENAMAN. Yes, sir.

Mr. SPERRY. After that, along in 1870, they wanted the light; a little later, in 1871 and 1872, they wanted the light leaf.

Mr. BRENAMAN. Yes, sir.

Mr. SPERRY. Then when did the dark leaf come in, about 1875 or 1876?

Mr. BRENAMAN. 1875 or 1876.

Mr. SPERRY. And then in the last two or three years they wanted light again?

Mr. BRENAMAN. Yes, sir.

Mr. SPERRY. Is it not your judgment that within the next two or three years they will want the dark leaf?

Mr. BRENAMAN. I could not say so.

Mr. SPERRY. On your finest cigar—what you may call your fine cigar—are not you willing to pay $1 a pound for the mere matter of color, regardless of other qualities?

Mr. BRENAMAN. It is possible.

Mr. SPERRY. I am speaking of the manufacturer.

Mr. BRENAMAN. For fine cigars.

Mr. SPERRY. In regard to the matter of price, as a consumer would not you be willing to pay a dollar a pound more for a light leaf when it was in fashion?

Mr. BRENAMAN. It would be sold at higher prices.

Mr. SPERRY. That is a mere matter of fancy to those who can afford it?

Mr. BRENAMAN. Now, in regard to the light and dark, there is more gum in the dark than in the light, and takes a great many more sprigs to the pound, which of itself would make a higher price.

Mr. SPERRY. You mean the color is due to the amount of gum in it?

Mr. BRENAMAN. There is less gum in the light than in the dark; it is the gum that makes it dark.

Mr. SPERRY. You do not mean that accounts for the color?

Mr. BRENAMAN. I do.

Mr. SPERRY. Do you not know that the fertilizer makes the color?

Mr. BRENAMAN. No, sir.

Mr. SPERRY. Do you not know that the fertilizer affects the color?

Mr. BRENAMAN. Possibly it may.

Mr. SPERRY. Do not heavy bottom lands bring——

Mr. BRENAMAN. My dear sir, I never grew tobacco, but I know there is less body in the light wrapper than there is in the dark, and it is only the heavy-bodied tobacco that will be dark.

Mr. SPERRY. Now, the tax having been increased to $2, do you agree with the gentleman who preceded you that the increased tax has not decreased the use of Sumatra tobacco—the consumption of it?

Mr. BRENAMAN. It has at the present time, owing to the depression in business.

Mr. SPERRY. That is, within the last two or three weeks; I am speaking of the market in its normal condition.

Mr. BRENAMAN. I am only speaking of myself now; I am working less.

Mr. SPERRY. The Treasury Department shows there were greater importations last year than before?

Mr. BRENAMAN. I did not know that, sir.

Mr. SPERRY. Have you any judgment?

Mr. BRENAMAN. I judge we imported more tobacco in 1890 than since.

Mr. SPERRY. Have you any judgment what the effect would be if you increase it to $2.50 or $3, and will not the Government derive a greater revenue at $3 than $2?

Mr. BRENAMAN. I think I would be forced out of business.

Mr. SPERRY. That does not answer the question. What is your judgment. Would the Government derive a greater revenue at $2.50 or $3 than it does at $2?

Mr. BRENAMAN. I think the Government would derive more revenue from 35 cents a pound than it would from $2. My dear sir, it is my honest opinion that with a duty of 35 to 50 cents a pound there would be more consumed than at $2, and the Government would derive more revenue. Where I now use one bale of goods I would use more.

Mr. SPERRY. You would then use it on the 5-cent cigar?

Mr. BRENAMAN. Yes, sir.

Mr. SPERRY. And anything above the 5-cent cigar you use imported tobacco now?

Mr. BRENAMAN. Yes, sir.

Mr. SPERRY. How much weight is in the Sumatra bale?

Mr. BRENAMAN. 170 to 175 pounds.

Mr. SPERRY. How many cigars will it make?

Mr. BRENAMAN. Probably 60,000; that depends upon the size of the cigar.

Mr. SPERRY. How much, on an average, will an acre of domestic wrapper——

Mr. BRENAMAN. My dear sir, I do not know what an acre will produce.

Mr. SPERRY. How much domestic leaf in acreage would a bale of Sumatra displace?

Mr. BRENAMAN. I could not answer that question.

Mr. GEAR. How many cigars would 175 pounds of domestic tobacco wrap of the same weight?

Mr. BRENAMAN. About 17,000 cigars—about 10 pounds to the thousand. I have seen some domestic tobacco make a good many more, and then again I have seen tobacco start out well and by the time you got to the middle it would not make so many.

Mr. GEAR. Is not the largest consumption in the United States for the 5-cent cigar, six for a quarter?

Mr. BRENAMAN. Yes, sir; I think the 5-cent cigar is the quickest sale to-day.

Mr. SPERRY. Would you prefer free cigars and free tobacco, or would you prefer the tariff to remain as it is?

Mr. BRENAMAN. I never smoked that tobacco. I could not tell which I prefer.

The CHAIRMAN. If there is no other gentleman to be heard this committee will stand adjourned until 10 o'clock a. m. to-morrow.

Thereupon the committee adjourned to meet at 10 o'clock a. m. Saturday, September 9, 1893.

LEAF TOBACCO.

(Paragraph 242.)

STATEMENT OF MR. J. S. VAN DUZER, OF ELMIRA, N. Y.

TUESDAY, *September 19, 1893.*

Mr. CHAIRMAN: Permit me to say at the outset, I have been very much interested in the remarks which have been made here upon sugar raising. I am interested for the reason that I am myself a farmer and I am especially interested whenever I find our representatives in the halls of Congress or in committee listening to the representatives who come here to show to you that the American agriculturists should receive your attention to a greater extent than they have ever received your attention; and, furthermore, I am especially interested in the showing made by both the beet and cane sugar raisers and effect that a large increase of the production of cane sugar and beet sugar has had upon agriculture in this country. It is a fact that what we need as American farmers is diversification of agriculture; and everytime you can introduce into American agriculture some product of high value per acre, some product we can afford to pay more money for and more labor per acre, you have brought a great boon to the American farmer. So I am most heartily in accord with the demands made upon this committee for the benefit of beet and cane sugar. I have taken an interest in this question for years; and I want to say one thing more, and I will go directly to the tobacco question. One gentleman has spoken in regard to the contracts made with the growers. I wish to say as a farmer who can carry out what I say, I would cheerfully make a contract with the manufacturer to produce 500 tons of beets at $5 a ton. I know what I am talking about, because ten or fifteen years ago I bought this German beet sugar seed and distributed several hundred pounds in my locality, and I raised several acres, and I know I can get 15 and 16 tons per acre. I know I can grow 25 tons an acre on the rich lands of the Chemung Valley, where we grow tobacco, upon which I expect to address the committee. Then, there was one other contract referred to by the spokesman, to which I wish to briefly allude, and that was the supposed contract made by this committee and by the recent act of Congress, assuring the producers of sugar they should have fifteen years in which to experiment and establish and increase the industry in which they were interested. It leads me to say it would be a fortunate thing indeed for the American people if the contract should be made through their representatives in Congress and by themselves through a vote

which would make an amendment to our Constitution to the effect that there should be no general revision of the tariff for the space of fifteen years or longer. I believe, gentlemen, that this economic question should not be treated as a political football between parties and we have the danger of having our business affairs upset every year or two. I believe it would be fortunate indeed to us who are farmers and for us who are business men if these economic questions of the tariff could be taken up one at a time when it was necessary to meet them and should be carefully considered, and that the great industries of the people covering millions of dollars should not be crowded into five or ten minutes' space for your consideration.

Saying so much, gentlemen, I do not propose to go over the ground that was gone over here three or four years ago on the tobacco question. I simply wish to state that the committee then after hearing carefully both sides of that question, both for the levying of an increased tax upon Sumatra or wrapper tobacco—for no form of wrapper tobacco was mentioned especially—and after hearing those in favor of a low tax, decided that not less than $2 a pound would be any benefit to the grower, and it was because of that showing of the opponents of that amount of tax, and not because especially the showing of those of us to come here to advocate a high rate of duty, that the Ways and Means Committee then established the $2 rate of duty, as recommended to Congress, and both Houses of Congress ratified the recommendation. I wish to say to you gentlemen on this committee that in the three years in which that rate of duty has been enforced in this country we, as tobacco growers, have had a similar experience to that which has been related to you by the sugar producers of both the West and the South. We have succeeded in reëstablishing the industry, which was nearly wiped out of existence because, as was stated to you at the time when that question was before the Ways and Means Committee, at that time not more than one-eighth of the 4,000,000 cigars of this country were wrapped with American-grown wrappers. Seven-eighths of all the cigars produced in the United States were wrapped with tobacco grown in foreign countries. That is not true to-day, because a large increase has been made in the production of domestic tobacco, and a large increase has been made in the demands of the manufacturers for the wrapper tobacco of our crop. It is necessary for you to understand that while this rate seems to be large—$2 a pound upon wrapper tobacco—as compared with the average prices at which we sell our stock—say 10 to 25 cents a pound running prices—it would not seem so strange to you when you understand that the choice wrappers which compete with this foreign wrapper tobacco are but a small fraction of our entire crop. Ten or 15 per cent of the best crop is all that can be used as really choice wrapper, and it is in competition with this that this foreign wrapper comes in. Now, gentlemen, I do not believe that any less amount than that fixed by that committee would be of any good to the farmers of America in order to protect our industry, and I trust you will carefully consider every question which comes before this committee in which the farmers and wage-earners and the actual producing class of the country are concerned. There is no doubt, gentlemen, but what the manufacturer and the importer and all of that class of our people can afford to come before you. They can afford to spend their money here because their individual interests are large; but the farmers and the wage-earners of the country, while their aggregate interests are of great magnitude their individual interests are so small that they can not afford to come before you and impor-

tune you to look after their interests; but, gentlemen, I assure you that they rely upon you to consider their interests and not to be misled by the pleas of those whose interests are not entirely consistent with those of the farmers and wage-earners.

Gentlemen, I thank you for the courtesy with which you have listened to me, and I thank you for the privilege of having given me this much time. I had prepared something to submit to you, but concluded it was not best to occupy the time to read it. I will cheerfully answer any questions which may be propounded upon the tariff, but will not ask for further time.

Mr. PAYNE. It was stated here the other day that no tobacco suitable for wrapper was raised in the State of New York. You have been a tobacco-grower for many years?

Mr. VANDUZER. Permit me to remind the gentlemen on my left when I was here four years ago, after arriving in Washington I telegraphed for some cigars made in the city of Corning, in Steuben County, made from wrappers grown 3 miles from the factory, and I presented them to this committee as an article containing a choice wrapper, and in connection with this I also presented some Sumatra cigars, and all of this committee, or at any rate it was a verdict of those whose expressions I heard, that the cigars made in the Steuben County district were superior to the Sumatra.

Mr. PAYNE. Is not it true a pound of Sumatra will go as far as 3½ or 4 pounds of domestic wrapper?

Mr. VANDUZER. Generally speaking, that is true.

Mr. PAYNE. For that reason it requires a higher duty per pound of Sumatra wrapper because it goes so much further?

Mr. VANDUZER. Yes, sir; but there is another more important consideration, and the reason I did not go into it was because it was gone over before, and that was the fact that the syndicate growing this tobacco in the Netherlands can afford to assort their tobacco with a great deal more care, and on account of this careful assorting, assorting according to colors, etc., the manufacturers have more work done for them abroad, which work they are compelled to do here in using the the domestic tobacco.

Mr. PAYNE. This is an association of farmers raising tobacco?

Mr. VANDUZER. An association of capitalists who employ their labor.

Mr. PAYNE. I mean you represent some association?

Mr. VANDUZER. I represent the association of farmers in the northern part of Pennsylvania and the southern part of New York, covering about six counties.

Mr. PAYNE. Tobacco-raisers and members of both political parties?

Mr. VANDUZER. Yes, sir; and the president of that association is here with me to-day, and his party affiliations are diametrically opposed to mine, but he is heartily in accord with me.

Mr. PAYNE. There is no distinction of party in their desire for this?

Mr. VANDUZER. No, sir; I believe at the present time almost every member of our association belongs to the party which now controls legislation in Congress.

Mr. PAYNE. They are in favor of the retention of this duty?

Mr. VANDUZER. They are most heartily and unanimously in favor of it.

Mr. BRYAN. You say this association is composed of persons producing tobacco, and they are in favor of a tariff on tobacco?

Mr. VANDUZER. Yes, sir.

Mr. BRYAN. How much tobacco do you produce to the acre?

Mr. VANDUZER. Well, sir, from 1,000 to 2,000 pounds.

Mr. BRYAN. What proportion of this is wrapping tobacco which takes the place of Sumatra?

Mr. VANDUZER. I want to explain to you that the grade of wrapper might run anywhere from 25 to 60 per cent, but only the top of that would be suitable for the high grade of cigars, and our best wrapper would be a small proportion, say 15 to 20 per cent of the crop.

Mr. BRYAN. And how many pounds did you say to the acre?

Mr. VANDUZER. From 1,000 to 2,000 pounds.

Mr. BRYAN. Now, what does that tobacco sell for?

Mr. VANDUZER. Well, now, a man asks that question and he is a lawyer, and I might as well turn around and ask him what does he ask for his services to try a lawsuit.

Mr. BRYAN. What has that to do with your answer here now?

Mr. VANDUZER. I think it is about as fair a way to answer, because prices vary so; they might vary from 3 cents a pound to 70 cents a pound.

Mr. BRYAN. Give us the variation; you come to us to give information and we need information on this question, and I ask you for that information.

Mr. VANDUZER. Do you want the average price or the range?

Mr. BRYAN. If it is divided into different kinds of tobacco then you can state what proportion of each kind you get out of your crop, and what the price is of each kind.

Mr. VANDUZER. I would like to state this: That the farmers in the different sections of the country sell their crops in different ways. For instance, in some sections they are sold by grades. In Pennsylvania they are sold so much for wrappers, so much for binders, and so much for fillers, and then they are even divided into long wrappers, etc., and they may have half a dozen or a dozen grades. Then in other sections, which is true largely in our section, it is most all sold at what is called "running prices," so much per pound for the whole crop where the man makes his own estimate as to what he is paying for different grades. In our section the price would range for the 1891 crop all the way from 10 to 33 cents a pound—that is, running prices with an average, I should say, of 20 cents, as against 8 cents in 1889.

Mr. BRYAN. You get twice as much?

Mr. VANDUZER. Allow me to say one thing, inasmuch as you have drawn that fact out, from 1882–'83 up to 1890 the increase in importation of foreign wrapper tobacco was so great that seven-eighths of our cigars were wrapped with foreign tobacco and the consequence was the demand for our production of domestic tobacco instead of increasing, had actually decreased. Just as soon as we had the assurance that tobacco was not coming in unless it paid a higher rate of duty which will enable the farmers here to feel assured they could produce tobacco, of course all the old growers resumed the production of tobacco and many new ones went in, and they have not only increased the amount of acreage, but they have got better prices, of course. Of course you can not exhaust the millions of acres of land suitable for growing tobacco, and it is only a matter——

Mr. BRYAN. What is the amount of tobacco consumed in the United States?

Mr. VANDUZER. I will explain another thing in reference to that, and that is that I am not at all interested in the class of tobacco consumed which is known as common plug. That is a class of tobacco we

consume only a small part of what we export and which Maryland, Virginia, and Missouri, and we export that lar

Mr. BRYAN. And we import wrapper tobacco.

Mr. VANDUZER. We import two grades of tobacco—Havana tobacco of fillers, and the other is the wrapper t the Island of Sumatra. Those are the only two grades any extent.

Mr. BRYAN. You say you appeared before the Commit and Means that formulated the last tariff bill and adv crease of the duty?

Mr. VANDUZER. I did.

Mr. BRYAN. You say you think the tariff ought to be fi years?

Mr. VANDUZER. I did not say that with reference to thi I say the tariff should not be generally revised for a peri or twenty years.

Mr. BRYAN. You would rather the fifteen years woul after the adoption of the McKinley bill than before its ad

Mr. VANDUZER. In every sense in which I speak of it, no, sir; because while I should not have any general re said if something should spring up in three or four years, ably had not existed before, I say that is a proper quest before the Ways and Means Committee and the Houses of any time, because there was something that needed new which was a new condition and one on which you could wo that one thing, but that it was not necessary to go throu schedule.

Mr. BRYAN. The manufacturer of tobacco feels that no to change the law in his interest, and you do not believe t

Mr. VANDUZER. That is not true altogether, because it the manufacturers in New York city saved the passage of by telegraphing to the committee that 98 per cent of the facturers of New York city—and those were the only one to reach—were in favor of this very bill.

Mr. BRYAN. You say that telegram had more effect tha ination of the cigars which you gave the committee?

Mr. VANDUZER. Yes, sir. That was in the Senate, bec tors are more concerned with the manufacturers than the the manufacturers can reach them and the growers can by that the growers have not the time and they can not a here.

Mr. BRYAN. Then the telegrams were sent to the Senat

Mr. VANDUZER. The telegrams which were sent here to say that the manufacturers favored it. The claim wa facturers everywhere were opposed to it, and we had a p from these same manufacturers to this committee, and and we had to telegraph them to telegraph their sentir Finance Committee of the Senate, and they did it.

Mr. BRYAN. So they changed their minds?

Mr. VANDUZER. Well, it appeared they changed the only know what was told me—that when the question wa the first time, it had only two votes for this clause, and t it had nine, or enough to carry it.

LEAF TOBACCO.

(Paragraph 242.)

PHILADELPHIA, PA., *September 25, 1893.*

We, cigar manufacturers of Philadelphia, deem it absolutely essential for the preservation of our industry and for the good of the great body of consumers of cigars to petition Congress to make the duty on foreign leaf tobacco specific, not to exceed 35 cents per pound. We herewith state our reasons:

First. The existing tariff as it is now imposed is discriminating and unjust. Experience has proven since its enactment that it has not increased the wages in workshop or field, nor has the grower profited by it.

Second. This high duty has failed of its object of being prohibitory, because, owing to the requirements of the consumer, the manufacturer is compelled to use foreign tobacco and pay this extortionate duty of $2 per pound. This has impaired the industry and threatens its destruction.

Third. The American manufacturer, prior to the passage of the present law, supplied the consumer with a superior article, which increased the consumption. Under a 35 cent rate of duty this state of affairs can be restored, thus also increasing thereby the revenues of the Government.

Fourth. There are not enough domestic wrappers grown in the United States, according to the annual statistics, to supply one-half of the requirements of the cigar manufacturers, and, moreover, these domestic wrappers are not desirable to the consumer.

In consideration of the facts, based as they are upon truth and experience, we trust you will recognize the correctness of our position, and by granting our prayer preserve the life of our industry and insure large revenue to the Government.

Respectfully submitted.

A. LICHTEN,
JOHN H. BORTZ,
JAMES M. JEITLES,
Committee.

LEAF TOBACCO.

(Paragraph 242.)

WASHINGTON, *August 19, 1893.*

The undersigned, representatives of the manufacturers of clear Havana cigars in the cities of New York, Key West, and Tampa, would respectfully represent that the manufacturers whom they are authorized to represent produce 90 per cent of all the clear Havana cigars manufactured in the United States.

That there is required and used in the conduct of their said business not less than a capital of $20,000,000, and there is employed in, or dependent thereon, 100,000 persons.

That under the tariff laws existing prior to 1890 the clear Havana industry had grown and prospered until reaching the proportions hereinbefore stated, and the Government had derived great revenues

therefrom. That said laws clearly defined and classified what should be wrapper.

That the tariff act of 1890 fixing the duty on imported leaf tobacco used the term, "suitable for wrapper" which term being so indefinite necessitated and compelled the board of general appraisers to lay down some definite rule in the classification of leaf tobacco imported under this act, which was "any bale which contained an appreciable quantity of leaves suitable for wrapper" and "that less than 15 per cent thereof was not an appreciable quantity." Under said tariff law of 1890 and said decisions so made thereunder the manufacturers of clear Havana cigars in the United States by strict attention to business, and the exercise of rigid economy in the conduct thereof, have been enabled to continue in business, always hoping that under a more liberal policy the business would prosper as it had prior to the enactment of the law of 1890, and that commensurate profits would be derived from their business.

That the recent rule of the Treasury Department issued to the collectors of the ports of entry throughout the United States instructed and required said collectors to classify as wrapper all bales of leaf tobacco any portion of which was of leaves suitable for wrapper, assuming by said rule that such a bale was fraudulently packed.

And your petitioners would further represent that the term "suitable for wrapper" is uncertain and vague, and unless a definition thereof can be given by statutory enactment or unless some other remedy is granted, a duty of $2 per pound upon all tobacco imported into the United States might be imposed, as it is absolutely impossible to pack a bale of Havana tobacco, some portion of which would not be of leaves that in the opinion of the appraiser would be large enough to be used for wrapper, but which because of defects have been classified by the exporter as filler, and which are not suitable for wrapper nor are they commercially known as such. Such a construction of the law, under the late rule formulated by the Treasury Department, would disastrously affect the clear Havana cigar manufacturer insomuch that he could not continue his business, and such construction of the law under said rule last-above mentioned would absolutely prohibit the importation of Havana tobacco into the United States.

And your petitioners would further represent that a leaf of tobacco to be suitable for wrapper must contain the following qualities:

(1) It must be sufficient in length and width to wrap the cigar.
(2) It must not be too dark in color.
(3) It must be of good burning quality.
(4) It must be sound and of fine texture.
(5) It must be free from white veins and stains.
(6) It must have elasticity.

What is commercially known as wrapper and sold as such contains the qualities above stated, and the board of general appraisers, after hearing the evidence of experts and making a thorough investigation of the subject, found it necessary in classifying the grades of leaf tobacco other than that above defined to adopt the rule that all bales of tobacco in which there was less than 15 per cent of leaves which could be used for wrapper should be classified as filler, and that the importer should only be required to pay a duty of 35 cents per pound thereon; and we respectfully submit if said rule had not been so adopted, or unless a liberal construction had been given to the term "suitable for wrapper," no Havana tobacco could have been admitted

into the United States except by the payment of a duty of $2 per pound.

That even among bales of Havana tobacco which is commercially known as wrapper and upon which the manufacturer has to pay and is willing to pay a duty of $2 per pound, there is 25 per cent thereof which is filler and must be used by him as such. That in the bales of tobacco of inferior grade and which is commercially known as filler there are leaves of sufficient size to be used as wrapper, and which has the appearance, when dry and packed in the bales, of wrapper leaves, but in this class of tobacco we most respectfully contend that no expert can determine them to be wrapper except by subjecting them to the process to which the manufacturer has to subject them before attempting to apply them to that use, and should the appraiser subject said tobacco to said process it would render it unfit for use by the manufacturer when withdrawn from the warehouse, and even should there be 15 per cent of such leaf in a bale of filler which could be used as wrapper, although not containing all the qualities thereof, the manufacturer would still be paying the Government more specific duty than it was intended he should pay by the framers of the law of 1890, and we are informed and believe that it was after such tests above mentioned had been made by the said Board of General Appraisers that the said 15 per cent rule was adopted, and it is a notorious fact that all the protests and appeals made by the importers and manufacturers in the cities of Key West and Tampa from the decisions of the appraisers at said ports under the tariff law of 1890, and considered by the said Board of General Appraisers have been sustained in every case but one, as have also been the great majority of protests and appeals taken in the city of New York by its Havana tobacco importers and manufacturers.

And your petitioners would further represent that there is a certain class of inferior Havana cigars manufactured in and placed upon the market of the United States which are wrapped with leaf that is strictly filler, and used as such in the finer grades of Havana cigars, and which is not suitable for wrapper. Should the Government exact $2 per pound duty upon all bales of tobacco of this class of filler it would absolutely prohibit the importation of Havana filler into the United States, and the manufacture of Havana cigars therein. The manufacturer receives for the inferior grade of cigars, wrapped with this class of tobacco, $55 per thousand. Such tobacco costs in the market of Cuba $70 per bale of the average weight of 100 pounds. The duty imposed upon such a bale, if it is classified as wrapper, would be $200, making the cost of the raw material, when withdrawn from the custom-house, $270. The Government allows the manufacturer 25 pounds of raw material for the manufacture of each 1,000 cigars, but we are willing on account of the size of said inferior cigars to admit that 20 pounds of raw material will produce 1,000 of such cigars. The manufacturer, therefore, would produce from such bale of tobacco 5,000 cigars, which would be worth in the market $275, notwithstanding which fact in order to produce the manufactured article he would be compelled to pay for labor $8 for stripping, $75 to the cigar-maker, $9 for picking and packing, $10 for packages to contain said cigars, and before said cigars could be removed from the factory and placed upon the market $15 for internal revenue, all of which, being added to the cost of the raw material, would make the entire cost of the manufactured article $387, thereby causing the manufacturer to lose $112 upon every 5,000 cigars so manufactured by him, without taking into consideration the general expense of ope-

rating a cigar factory, to wit, the paying of common laborers, clerks, foremen, rents, insurance, interest on investment, etc.

The premises considered, your petitioners respectfully pray that a tariff law be framed by your honorable committee and reported to the House of Representatives in conformity with the ruling of the said Board of General Appraisers or that the term "suitable for wrapper," as used in said law, be held to mean that leaf which is commercially known as wrapper.

And your petitioners will ever pray.

FAUSTINO LOZANO, OF LOZANO PENDAS & CO.,
EDWARD MANRARA, OF V. M. YBOR & MANRARA,
Representing the clear Havana manufacturers of New York.
HUGH C. MACFARLANE,
Treasures American Cigar Company,
Secretary of campaign committee of State executive committee of Florida.
E. M. SEMPLE, of GENER & Co., and others,
Representing the clear Havana manufacturers of Tampa, Fla.

LEAF TOBACCO.

(Paragraph 242.)

We ask that a specific, not an ad valorem, import upon leaf tobacco. We do so because no system ca which the value of any given importation of tobacco, t Island of Cuba, can be estimated by mere inspection, of leaf tobacco the larger part of the imports is made u the actual test of the manufacturer that this value ca to one who examines by mere inspection, two importa very similar, and still, when the test of the manufa one importation may be found to be worth double as m There is no other product of the soil which presents s ences in values as cigar leaf tobacco. In the best dist called Vuelta Abajo, one farmer will raise and assort $80 a bale average, while a near neighbor on similar same fertilizers, will produce a crop worth less than better crops the farmer will sort out some fine and val some, perhaps, will bring $500 or $600 a package, whil of the same crop will bring as low as $15 to $20 each $100 each, but in no instance will the dealer make a v applying the test of the manufacturer, which consis the leaf and making it into cigars to test the color, and smoking quality. Every sorter or packer of tobac ing to his own fancy and notion, and no two will asso

There is no staple value to this product, and the fin on examination by the eye alone, would bring no mo common grades. The Government inspector will be u an approximate value of any given importation, and t would be driven out of the market. The governmen tries all levy a specific import duty upon tobacco. collecting two or more specific rates is almost as great. a law which imposes a duty of $2 per pound on all tobacco, any portion of which is suitable for wrappers. pound on all other leaf tobacco. Every person con

article will tell you that but a small portion of the Cuban tobacco imported in this country is or can be so assorted and selected that some leaves suitable for wrappers will not find their way into packages of fillers, and so also many filler leaves are packed among the wrappers, and here again you can not by mere inspection, or even by a manufacturer's test of a small sample, determine what percentage of wrappers is mixed in the filler packages, or how much filler is in the so-called wrapper packages; and in fact the line of demarkation in the assortment of a given farmer's crop showing where the wrappers are in the minority and the filler leaf in the majority can not be discovered without working up a good part of a package, and then no two manfacturers would agree as to a great number of leaves. One would say they are suitable and another would say they are not suitable for wrappers.

When the present law was under discussion before the Committee of Ways and Means these facts were pointed out, but no attention was paid to the remonstrances of the trade; but when later on the Government found out that under a literal construction of the law nearly all leaf tobacco would have to pay $2 per pound, a rate which if enforced would close one-half of the cigar factories in the United States, the general appraisers gave instructions that only where an "appreciable" quantity of wrapper leaf, which they fixed at 15 per cent was in a package, the higher rate should be imposed. Under that construction business has continued, but lately the Secretary of the Treasury has decided that that construction of the law is unwarranted and that the law must be enforced to the letter. Now the general appraisers have just decided a case on appeal in favor of the importer on the ground that a few leaves of wrappers in a package commercially known as fillers shall not be considered a "portion" of the package by the examiner, and that on such packages the lower rate of duty of 35 cents only shall be assessed. A duty of $2 per pound would increase the cost of cigars filled with Havana fillers from $20 to $25 per thousand, or 4 or 5 cents each to the consumer buying at retail. The public would not stand this advance, and the cigarette and pipe would largely take the place of the cigar.

The balance of our importations of leaf tobacco consists mainly of the wrapper class produced on the island of Sumatra, with some few parcels of wrappers from other East Indian islands. Here again the difficulty of collecting an ad valorem duty would be very great. These tobaccos are sold on sealed bids at Amsterdam and Rotterdam in assorted farm crops, which, according to quality, bring from 30 to 350 cents Dutch (that is, from 12 cents to $1.40 American) and over per half kilo. The best grades in these varous crops will be valued as high as 600 cents Dutch, or $2.40 American, and as low as 80 cents Dutch, or 32 cents American, per half kilo, and from that gradually descending according to quality, color, and texture down to as low as 10 or 15 cents Dutch. But no two buyers will agree as to the value of the different grades in a given crop and no authentic judgment can be formed by the United States consul or the customs inspector as to the value of the particular grades which the buyer may select for shipment to this market.

A specific rate should be imposed, and it should be uniform. We have shown the difficulty of drawing the line between the wrapper class, which is the most valuable, and the filler class in Cuban tobacco. There should certainly be but one uniform rate on all Cuban tobacco. You might discriminate in favor of Cuba by imposing a lower rate of

duty on tobacco grown in the werstern hemisphere and the higher rate on tobaccos grown on the eastern hemisphere, thus covering the product of Sumatra, against which the farmers of this country demand protection. But there are objections to this; the manufacturer using Sumatra wrappers would be dissatisfied because of the discrimination in favor of the manufacturer using Cuban wrappers. We have manufactured in this country about 100,000,000 cigars with Havana wrappers, and 2,000,000,000 with Sumatra wrappers per annum; but the Government has never been able to collect the wrapper duty on Cuban wrappers sufficient to wrap 10,000,000 cigars, while on all the Sumatra wrappers the full duty of $2 per pound has been collected, and hence there has been constant complaint from those manufacturers not using Cuban wrappers because their competitors, using this article, appear to be more favored by the Government.

Now if a uniform rate is established on all grades, what shall that rate be? We believe 35 cents per pound to be sufficient, both as a revenue and as a protection to the home farmer. The cost of production of leaf tobacco in the United States does not average to exceed 10 cents per pound. In 1890 the farmers succeeded in getting the $2 rate of duty on wrapper tobacco for protection against Sumatra, but in two States only, Connecticut and Massachusetts, have prices for tobacco advanced since then, and we claim that this was due largely to the fact that the farmers in those States were favored by the seasons and raised extraordinarily good tobacco, but in all the other tobacco States growing cigar-leaf tobacco the prices have remained the same, and these States produce nine-tenths while Connecticut and Massachusetts produce but one-tenth of the whole.

The only reason why a high rate on wrapper leaf should be maintained would be to protect the farmer, for if more revenue is desired from cigars the same can be collected through the Internal Revenue Department; $1 of additional tax per thousand will yield over $4,000,000 per year.

NEW YORK LEAF TOBACCO BOARD OF TRADE,
F. A. SCHROEDER,
JOS. F. CULLMAN,
WM. VIGELIUS,
ANTONIO GONZALES,
JOSEPH E. HOFFMAN,

Committee.

LEAF TOBACCO.

(Paragraph 242.)

Will you kindly bear in mind the present $2 duty we have to pay on wrappers? It is pure, unadulterated robbery, and is ruinous to us and our business; a blow to wages, a benefit to no one. We would call it to your attention, and ask to have the old tariff put in force.

Yours,

KUHLES & STOCK,
St. Paul, Minn.

LEAF TOBACCO.

(Paragraph 242.)

KERBS, WERTHEIM & SCHIFFER,
New York, September 12, 1893.

SIR: We, the undersigned, cigar manufacturers of this city, employing upwards of 1,100 people, and whose product is annually larger than any other cigar manufacturers in the United States, most respectfully request to be put on record as objecting to any change in the present tariff on tobaccos or cigars for the following reasons:

First. That since the last two years manufacturers of cigars have been endeavoring to arrange their business so as to conform with the present existing laws, and any change at this time would tend towards an upheaval and general disarrangement of said business.

Second. That there is no necessity for the reduction of the duty on leaf tobacco, as statistics will show that the importations of leaf tobacco since the McKinley bill have been as large as they ever were before said McKinley bill was put in force, with the possible exception of the year immediately following the passage of the McKinley bill, as there were very large importations prior to that event, so as to have a stock on hand at lower figures.

Third. The growers of leaf tobacco in this country have been materially benefited by the provisions of the McKinley bill, and any change would result harmfully to them.

Fourth. We consider, that with the present tariff on the manufactured article, viz, cigars, that the protection on them at present is adequate and just, and nothing more is needed, and the Government fully needs the income tariff from the existing duties.

We further beg to strongly object to any proposed increase of internal revenue on the cigars as offset to any proposed reduction of the tariff on leaf tobacco, for the reason that such a change would work disastrously upon the domestic article, as it would increase the cost of cigars manufactured from domestic wrappers and only offset the cost of cigars wrapped with imported tobacco, which is manifestly unjust to our home farmers.

Yours, truly,

KERBS, WERTHEIM & SCHIFFER.
J. WERTHEIM.

LEAF TOBACCO.

(Paragraph 242.)

SIR: At a meeting of the cigar manufacturers and leaf-tobacco dealers of the first district of Ohio, held in the city of Cincinnati on Saturday, September 9, 1893, the following resolutions were passed:

Whereas, the cigar and tobacco industry of our district has and still is suffering from the present exorbitant duty on foreign leaf tobacco; and

Whereas, on account of this exorbitant duty the cigar and leaf industry of this country and district threatens to be disrupted if the present duty is to be maintained: Therefore it was

Resolved, That we respectfully petition Congress, through you, to reduce the duty on all foreign leaf tobacco to a uniform specific duty of 35 cents per pound on unstemmed and 50 cents per pound on stemmed. It was also

Resolved, That we do not desire any ad valorem duty on foreign leaf tobacco, as we believe it can not be honestly and justly collected.

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Resolved, That we respectfully petition Congress, through you, to reduce the duty on all foreign leaf tobacco to a uniform specific duty of 35 cents per pound on unstemmed and 50 cents per pound on stemmed. It was also

Resolved, That we do not desire any ad valorem duty on foreign leaf tobacco, as we believe it can not be honestly and justly collected.

We respectfully petition that the above rate of duty go into effect at as early a date as possible, to relieve the distress caused by the present exorbitant duty.

OTTO H. FRITZ, *Chairman*,
M. D. NEWBURGER,
SIGMUND HAAS,
N. GÜNTHER,
ADOLPH G. SCHNEIDER, *Secretary*.
Committee.

LEAF TOBACCO.

(Paragraph 242.)

BALDWINSVILLE, N. Y., *September 15, 1892.*

SIR: We have over 3,000 tobacco-growers in this State. We produced in 1892 about 37,000 cases of leaf tobacco. These boxes average about 325 pounds each, net. The growers, irrespective of party, are satisfied with the existing duty of $2 per pound on imported wrappers. They do not, under circumstances, want the present law changed. It works satisfactorily and brings in a large amount of revenue on a luxury that ought most assuredly to be taxed heavily or a large duty imposed on it. We are unanimous in this section for allowing schedule F to remain intact. We ask you to sustain us in this view of the case. Only a comparatively few importers and importing dealers want the duty changed, with a view to enrich themselves at the expense of the growers. Will you kindly help the thousands of cigar-leaf growers in this and many other States by allowing the present schedule to stand intact?

Very respectfully,

WALLACE TAPPAN.

LEAF TOBACCO.

(Paragraph 242.)

LA FLOR DE PORTUONDO CIGAR
Philadelphia, Pa., Sep

SIR: Having learned that an effort will be mad
cigar manufacturers and leaf-tobacco dealers to ask fi
body of which you are chairman a reduction of the
leaf tobacco, I take this opportunity to enter my pro
of the Juan F. Portuondo Cigar Manufacturing Con
of its kind in the State) against the contemplated
following reasons, viz:

First, and above all, because the cigar-manufacturi
rest from tariff agitation, and because it has never b
as in the last two years; the factory I represent h
time mentioned not more than a couple of weeks, and
end of the year, when it is customary to close for an
enue inventory.

Second, because the reduction of the duty on S
deprive our Government of a revenue which it stand

at present, and because the reduction would benefit neither the manufacturer, dealer, nor consumer, but would increase the profits of the stockholders of the companies in Amsterdam. The belief is that if duty is reduced the prices on Sumatra will advance abroad in proportion to the reduction of duty here, not cheapening the tobacco any to our manufacturers.

Third, our farmers will be deprived of the opportunity of raising good tobacco to compete with the Sumatra leaf, the present duty affording them the stimulant of raising as fine quality leaf (wrappers) as is required for our markets. I will add, in this connection, that the Sumatra wrapper is not the best, generally speaking, and that we raise in this country as fine wrappers as can be desired by the most fastidious smokers, excelling the majority of the Sumatra leaf in its taste and other characteristics.

Fourth, if the duty on the leaf be reduced it is natural that the manufactured article (imported cigars) will be reduced in proportion, injuring more the dealers in leaf, the manufacturers of cigars, and cigar-makers than the benefit that they could expect to receive, on the ground that there will be more demand for the imported article and less for the fine line of domestic manufactured goods which compete with the imported article. More cheap cigars would be sold, which are much less profitable to all, bringing a future of cheap labor for our cigar-makers.

The claim that will be advanced to your honorable body by some of our manufacturers that the Sumatra wrapper is more easily worked than the domestic, enabling the cigar-maker to make more cigars, is not tenable. Twenty-four years' experience in the manufacturing of cigars and a complete study of every detail in connection with same enables me to offer your honorable committee the above-stated facts and submit them for your consideration.

I have the honor to remain, yours, respectfully,

JUAN F. PORTUONDO.

LEAF TOBACCO.

(Paragraph 242.)

Gentlemen of the Committee on Ways and Means, U. S. House of Representatives:

Owning and operating, together with my father-in-law, a farm of 500 acres in Bradford County, Pa., 15 acres of which are annually devoted to tobacco, I appear before you, apprehensive as to what will be your attitude as to the rate of duty at present prevailing over leaf tobacco for wrappers. I represent myself and incidentally thousands of others analogously situated and distributed over many parts of our wide land.

I hold that the present rate of duty should remain unchanged. In our country many tobacco barns have been erected within the last two years, in view of a state of affairs encouraging if not to be changed, and which thus far has been of but slight benefit comparatively; on the one hand because of tremendous stocks of wrapper tobacco brought in from abroad previous to the day when the present tariff went into effect, and on the other because of fear as to what might be done following the political changes incidental with the turn of last November's elections.

It seems to me that there is a ground in common to all Americans of our United States, judging from which nothing should be done that

will jeopardize the welfare of the agriculturist or even will alarm him as to such assurance as he may be possessed of for rewards in store for his arduous toil. Momentous symptoms arising from the tendency of crowding to the cities are perceived by the impartial observer, and are very apt to imbue his mind with the importance of the existence of a yeomanry practicing the vocation of agriculture both with profit and pleasure. Little would be left of our national achievements would that or all vanish that the farmer boy has brought about, but should it therefor be insisted upon that enduring penury drive him to seek a change in one direction only—forward, that is away from home, let him rather arise from modest affluence alike to his prototype, the only George Washington, equally great as citizen, warrior, statesman, and agriculturist (with prime tobacco amongst his products), blending perfectly his own independence with honor and devotion to the welfare of his fellow-

The majority of you honorable gentlemen, I understand, look upon absolute free trade as the ideal in regard to commerce of the world and modify this only because of our necessity of revenue, and also according to the stand taken towards us by other nations. No one doubts that the party that would endeavor to secure for our public needs what has been afforded by customs during the last thirty few other ways open (one of which would have to would speedily meet with the fate of disappearance stage. A minimum then not denied by anyone is a only some of us wish to go further.

Thus a system of protection is a fact, a policy with means that some industries can not otherwise thar when, then, there is to be protection in a degree, it i a question of remunerativeness in any one case, b same time also one of justice and wisdom; all of th inseparably together in thought. It will suffice to importance of the farmer in the commonwealth (the of us all, without whose contributions to the stock of ensue within a week) and what he has to contend w be expected to be contented with self-contemplatio when anything good is to be in store generally, an equ accrue to him. What has he had thus far upon the of his industry's results? What has he had on gr live stock, or cotton? Surely fifteen-sixteenths of a tariff on anything we produce in excess of domestic empty word, it is worse than nothing. There is som the adjustment of national economy when achieveme in one of the very foremost of industries is a precario votaries have to put up, in comparison with other returns for arduous exertions. It is of the greate ways be left open to the ambitious to strive succes ably satisfactory status in life in any of the great in such road only to the agriculturist is in resorting to devotion to which he can, if necessary, leave his hol parts of the country for one affording the natural re specialty. Virtually I speak not only for the main at present existing on tobacco, but as much so f toes, onions, etc., inasmuch as imports from countri north of the Rio Grande of anything of this kind a Dominion of Canada should join us politically as it tiguity, language, and habit for perfect redress as to

In the case of hops, I have noticed that an interest conceived by brewers has been voiced before you. Brewers, with rare exceptions, redundant in wealth—what do they want? Is it not enough to be rich? Can they not otherwise than, this attained, spice their affluence with downing the agriculturist and knowing him poor? The hop industry, alike to that of raising tobacco, for same reasons is at present at sea. Were it to mean being a farmer to be rich, equally so as this is the case with brewers, we would not care about the tariff, one way or the other.

As to potatoes, it is a sin to import any for ordinary consumption. What do we not hear claimed about our unrivaled natural resources, the wide range of as-yet-untilled acres, and acres not by far tilled to utmost capacity, and an article of daily diet so readily grown being brought thousands of miles from overcrowded Europe, taken away from the poor—potatoes which with fried fat or a reminiscence of ham makes up their daily dinner—raising to them the cost of an indispensable daily necessity. Here, by means of the tariff, a glaring outrage should be averted.

The present rates of duty, then, as far as the agriculturist is benefited, merely in a small measure afford him such as inevitably will accrue to the votaries of dozens of other industries under any tariff for revenue as favored by the Democratic party. It may be contended that a duty of $2 per pound on wrappers is more protective than revenual; but even so, we ask it in view of our great number individually, our unfavorable situation economically, and because of, as a whole, so little accruing to us in comparison with those of other industries. Something to the farmer at the expense, even if not to be avoided, of others will help to equilibriate him as to the many advantages of the dwellers in cities. Of the inevitable protection give us something; at least not less than the little we now have.

I have recently visited, for increasing my knowledge, the State of Connecticut, and have learned there that its age-renowned wrappers have been most alarmingly threatened by the advent of Sumatra wrappers, and that as far as the preseut tariff could be effective it has come to the rescue. Whatever pertains to Connecticut on this subject applies as well to my country, which, while inferior in its tobacco product, yields it still remuneratively under patriotic commercial adjustment.

What, then, is there concomitant with striking down the Connecticut wrapper-raiser, whose leaf imparts to the finest filler and binder a delicious additional flavor, and simultaneously favoring the Sumatra planter, whose wrapper is in taste neutral, and because of superior thinness and smoothness gives to the cigar a better appearance only and absolutely nothing else? Dire curtailment to the American farmer and fostering of a coolie system of labor at 10 cents per day; wealth to many Dutch planters of the East Indian islands and to a few importers. Not an individual in our Northern country (at least that touches tobacco to be grown, growing, or to be cured) receives in any part of the season less than $1.50 per day; most of these are fellow-citizens, however humble, and those they labor for are possessors of American homes, all of them devoted to a crop requiring skill and care of the highest grade requisite in the agricultural pursuit; an exercise of intelligence which should be encouraged and not eliminated towards maintenance of coolie labor and enrichment of the foreigner having no other use for us than as smokers of his tobacco. Give to anyone a good appetite and we may expect him to be well satisfied with a pudding of proper

ingredients, well cooked, regardless of form. From an expert imp
of Sumatra tobacco have I heard that, so far as enjoyment in smo
is concerned, and therefore altogether, he most assuredly prefers Ha
inclosed by a well-seasoned Connecticut wrapper to the same wit
outside coating of Sumatra, the latter pleasing merely the eye, th
ceases to enjoy when the purpose itself, the analagous to the eatin
the pudding, is indulged in.

The duty on wrappers as it now is will lead on to the makin
cigars every part of which contributes to its fragrance when put t
actual use; we will patriotically foster our own land rather than f
that sense which in smoking is even less than a secondary consid
tion and very transient, and the coolie and the Dutch planter. A
an American article is afforded which is the best for its actual use
those who insist upon superiority in a very subordinate feature pay
the same, however much more aditionally it will cost. The more un
essary a luxury the less hardship in its curtailment. Fashion will
ter decree a cigar not smooth and glossy, superior to smoke, than
saking this to appearance.

It has been asserted that the present rate of duty is rather di
vantageous to the American farmer than profitable, as because of
increased cost of Sumatra wrappers to the manufacturer and his
dicament to have to sell cigars at the same price as before, he is for
to do all he can to give the farmer as much less for all tobacco o
than wrappers he produces as he can bring about. All this is sim
controverted by the experience of the Connecicut farmers in the
of their crops after the present tariff went into effect and prior to
November. They really desire nothing better than such returns
secured in that period, satisfied fully with such a prover as experie

Every State identified with the tobacco-raising industry except P
sylvania in our last national election went Democratic, a few so for
first time. Is this well, I ask? If so, let the adage be followed; le
well enough alone.

Amongst all I have stated I wish to emphasize preëminently
importance, since tariff there must be, to afford to the ambitious far
not born with a golden spoon in his mouth as great facilities or p
bilities for raising himself to a gratifying condition in life as reasona
compatible with circumstances prevailing generally, by letting
have a full share of that allowance whereof to many others as wel
inevitable—in no case more deserved, in many not as much so. Ca
ing out such a policy with the few commodities in connection w
which this is possible would be attended without hardship to any
whose interest need be considered. The farmer is the one with wh
abuse of advantages, as in forming trusts, is out of question. Pros
rity with him tells directly upon thousands of homes, each a bulw
against anarchism and riot, whose indwellers, freer and freer from d
care, can rise the readier to the higher, the nonmaterial, purposes of

CHAS. REYNDERS,
Shesheguin, Bradford County, P

P. S.—In favor of retaining the present rate of duty on tobacco th
is further ground upon which all should unite for this proposit
Only a small and insignificant part of those opposed to the protec
theory being carried out up to the greatest possible maximum, a mig
stride towards which they see in the present tariff, mean to allow labo
this country to be actually brought down to the level prevailing over
Eastern Hemisphere. No one is more solicitous than these that pro

tion exist to such extent which, in their opinion, would fully compensate for the difference between the cost of labor here and abroad, the moreso were there a way of doing this so that to labor would, beyond peradventure, accrue that designed for it. Now, then, as between the farmer and special crops, such as tobaceo, we have just such a case in hand. The scarcity of farm labor is well understood by all conversant with the subject. The more then the farmer can pay, the more he does in order to offer as strong an attraction to that which, at all times he has trouble to attract, his help. Farm help of the higher grade receives more wages in this country than in any other, outside of Australia. It is, moreover, extremely rare that the farmer is not a laborer himself, one whose lot all those comprehending his situation would gladly better by any fair means promising really to accomplish this. Who could gainsay so as to carry conviction with him that anything less than the present rate of duty on tobacco will reduce our farmer's returns for his tobacco crop, which maintained, as they will otherwise be, affords intrinsically a better cigar, and detriment to none but the foreigner and an obnoxious system of labor?

LEAF TOBACCO.

(Paragraph 242.)

OFFICE OF JACOB LANGSDORF'S SONS,
Philadelphia, Pa., September 12, 1893.

SIRS: I would suggest the following reasons why a reduction on imported wrapper leaf tobacco should be made:

First. The duty exceeds the original cost, for which no adequate reason can be given:

Second. In consequence of this a great deal more capital is needed than under the former tariff, thus prohibiting manufacturers of small capital to go forward with their legitimate business, causing embarrassments and in many cases total failure.

Third. The protection intended for the domestic leaf through the existing tariff has proven a failure, from the fact that domestic wrappers can only be used on the cheaper grades of cigars, as they are entirely unfitted for the higher grades.

Fourth. It has caused many workmen in this branch to be idle, and others, for the sake of earning bread for their families, to turn away from their legitimate calling to more menial employment.

Lastly. I regard the present system of taxation in this particular branch un-American and simply class legislation.

Yours,

MORRIS K. LANGSDORF.

LEAF TOBACCO.

(Paragraph 242.)

RICHEY COMPANY, CIGAR BROKERS,
New York, September 14, 1893.

SIRS: The undersigned, a broker in cigars and tobacco, represents a fraternity whose interests are equally divided in all grades, from the cheapest domestic to the finest imported.

Representing both buyer and seller, and his compensation being a commission instead of profits, makes the broker peculiarly interested that the tax on tobacco and its manufactures should be equitably and fairly distributed on the various branches of this heavily taxed industry, and at the same time free from any personal interest toward the advantage of any particular line.

First. I desire to urge the abolishment of section No. 242 of schedule F of the present tariff law, because it is oppressive and absurd. It is oppressive to labor in that the increase to $2 per pound has fallen principally upon Sumatra tobacco which is essential as wrapper on our domestic filler for our medium cigars, commonly called nickel medium grade, and as this class of goods could not be advanced in proportion to the increased cost, labor has been forced to make up the difference in a lower scale of prices.

It is absurd, because Havana or tobacco grown on the Island of Cuba is necessary as fillers in our domestic-made cigars of medium to fine grades, and under a literal construction no unstemmed leaf of suitable quality can be imported without being subject to duty as wrapper, as it is impossible to draw a line of demarcation between the two. Under a liberal construction this section would be wholly at the mercy of the will or whim of a custom-house appraiser, from which there is no appeal entered, excepting when adversely to the importer or owner's interest.

To safely import Havana fillers under section 243, with section No. 242 existing, is impossible except by being stemmed in Cuba, and that would transfer the labor of 15,000 to 20,000 strippers to that country.

Second. I urge the amendment of section 243 of schedule F by striking out the word "other" after "All," making this section read, viz:

"All tobacco in leaf, unmanufactured and not stemmed, —— cents per pound. If stemmed, ——— cents per pound."

Third. I urge the amendment of section No. 246 of schedule F as follows, viz:

Strike out "$4.50" and substitute "$2," and strike out the words "and 25 per cent ad valorem," making this section read as follows, viz:

"Cigars, cigarettes, and cheroots of all kinds, $2 per pound, and paper cigars and cigarettes, including wrappers, shall be subject to the same duties as are herein imposed upon cigars."

The importation of cigars into the United States in 1886 and 1887 averaged about 130,000,000 per annum. Under the advanced rate of $2 per pound the importation of cigars into the United States in 1891 and 1892 averaged about 65,000,000, which will readily show that the highest rate produced the lowest revenue, and therefore can only be retained for protective purposes. In 1891 there were manufactured in the United States 4,346,799,844 cigars, showing that the importation of 65,000,000 during the same year is equivalent to but 1½ per cent, and under the previous law was about 3 per cent, and under this proposed amendment could not reach over 5 per cent of the domestic production, and therefore any argument against this liberal rate would be absurd.

The internal-revenue rules admit of 25 pounds of leaf tobacco as a maximum for 1,000 cigars.

Taking this as a criterion, should the duty on leaf tobacco be made uniform, at, say, 50 cents per pound, the duty on material used in a domestic cigar made entirely of foreign tobacco would be $12.50 per thousand.

The average imported cigar weighs about 12 pounds, which at $2 per

pound would be $24 per thousand—about double the duty on leaf tobacco.

Under this rate importations might reach 200,000,000 per annum, at least not over 5 per cent of the domestic production and insignificant as a competitor, especially when it is a well settled fact that over 60,000,000 are demanded at a rate, as at present, almost to exclude them.

Considering this, and also the increased revenue that would be realized, I sincerely hope you will adopt this rate as suggested.

I am opposed to an ad valorem rate on cigars or tobacco for the reason that even at 100 per cent it would admit the importation of cheap German cigars at as low cost laid down here, duty paid, as $10 per thousand, including $3 internal-revenue tax, and would create great distress and dissatisfaction with our domestic manufacturers through this strong competition, for example:

German cigars cost per thousand. lowest	$3.00
100 per cent ad valorem	3.00
Expenses and freight	1.00
Internal-revenue tax	3.00
Total	10.00

Under specific rate—

German cigars cost per thousand	3.00
10 pounds, at $2 per pound	20.00
Expenses and freight	1.00
Internal-revenue tax	3.00
	27.00

Under a specific duty only cigars from Cuba would be imported. Under ad valorem duty cigars of the lowest grades would be imported. The former do not conflict with domestic manufacture. The latter would materially injure, especially the interior factories. A combination of specific and ad valorem is simply increasing the complications of the importer and adjusting officers and is useless.

In fact it is simply a compromise, and as a rule compromises are frauds upon both parties at issue.

In comparing statistics of the operations of the old tariff laws, as compared with the McKinley bill, I notice the high-tariff exponents take the years 1890 and 1892 as proofs of their theories.

October 6, 1890, the McKinley bill went into effect, and, owing to its heavy increase of duty on leaf tobacco suitable for cigar wrapper and also on cigars, etc., importations were largely increased beyond an ordinary demand, for the purpose of securing large supplies under the old rate. This therefore is misleading.

No doubt your honorable committee, having better facilities to secure records and comparisons, will require no compilation on that point, and I therefore forbear entering upon the subject, simply calling attention to the fact that during years of business depression or of inferior crops transactions diminished, and such years should not be compared with other years of reverse conditions.

Fourth. I most urgently oppose any advance of internal revenue tax on cigars, as it would be a step backward in the line of utter abolishment of this iniquitous burden upon an industry so handicapped in the past decade.

It is true the larger manufacturers of cigars favor the highest rates, because it is easily borne upon the higher grade goods and tends to drive the cheaper classes and smaller manufacturers out of existence.

Under the present rate there is no incentive to defraud, whilst with a higher rate there would be.

Under the present rate the increase of production annually is uniform, whilst with a higher rate the cheap classes would be driven out of the market and cause a loss of revenue from this source.

Fifth. I recommend the abolishment of the present internal revenue law requiring the factory number, district and State printed on the caution notice and boxes.

This is no advantage to prevent fraud. The stamp alone is evidence of the tax being paid, and without a counterfeit stamp no fraud can be committed.

A manufacturer using a counterfeit stamp would at the same time use a factory number other than his own, for it would be as absurd for him to do otherwise as for a counterfeiter of bank notes to write his name and address on his spurious bills.

This fact being self evident, it must be conceded that this feature is useless and is only favored by monopoly manufacturers who thereby compel dealers to purchase goods with identifications upon them that expose the source of manufacture and gives said factory free advertising.

It is an acknowledged fact that these factory marks are simply useful as trade-marks and mislead the consumer of cigars very often to accept a lower grade article simply because he sees that the Government indorsement on the box is the same as the genuine article.

It also hinders manufacturers from fairly competing for business in that fact that the identity of the brand which designates the grade being overreached by these Government marks compels the dealer to accept anything the manufacturer chooses to dictate, or change his brand entirely.

Sixth. I most earnestly urge the earliest possible action on the foregoing matters, and suggest to your honorable body that they be made a separate matter from a general tariff bill, so that the impending distress to the trade may be relieved before the end of this year 1893.

Except in the matter of amount of revenue required from this source, I can see no bearing that tobacco has upon other industries, and by simple amendments to the present law the desired changes could be quickly effected and impending distress to many thousands of operators and disaster to manufacturers avoided from delays in the passage of an entire tariff bill.

Very truly yours, etc.,

H. A. RICHEY.

LEAF TOBACCO.

(Paragraph 242.)

NEW YORK, *September 19, 1893.*

SIRS: We are engaged in the business of importing Havana and Sumatra and dealing in American tobaccos, such as are adapted for the manufacturing of cigars.

While not claiming to represent any conventional body of the trade, we believe that with a long and extended experience in this particular line we have become sufficiently familiar with its requirements as to enable us to represent the views, not alone of all those engaged in this busi-

ness, but also of the manufacturers of cigars who form a component part thereof.

The present duty on leaf tobacco is 35 cents per pound if not stemmed, if stemmed 50 cents, with the following erroneous and positively damaging clause: "That all such tobaccos as may be suitable for wrappers $2 per pound if not stemmed, and $2.75 for such as are stemmed."

How injurious this latter condition is to our business, to that of manufacturers of cigars, to the producers of American tobaccos, and to the interest of the Government itself, we will attempt concisely to explain.

That this excessive and unreasonable duty induces more or less smuggling, it is reasonable to infer, although we are not prepared to substantiate this assertion with any other evidence than that this class of goods is very frequently offered for sale in this market at less than the cost of the duty.

Large quantities of such tobaccos are brought here from adjoining foreign ports by unscrupulous parties, and owing to inexperience (and often through a more serious fault) of the appraisers at different ports of entry, such wrappers have been and are being passed at the lower rate of duty of 35 cents per pound. Of this fact the Government is cognizant, having discovered several such undervaluations and being now engaged in investigating others.

In justice to the appraisers, however, we desire to state that the discrimination which the objectionable classification imposes makes their task a difficult one, there being no decided rule to guide them in their decisions and judgments, it being very perplexing as to where the line for the lower rate should cease and the higher one apply, some tobaccos having the appearance of wrappers not being suitable for that purpose, while others technically known as fillers can, by proficient cigar-makers, be used for wrappers.

These facts and the consequent annoyances, delays, and complications in the customs department due to the reasons stated above, together with the largely increased capital necessary to meet such excessive duty, and the consequent decrease in the demand, seriously impair our line of business.

That you may fully understand the position of the cigar manufacturers, particularly the very large majority of them, makes the following explanation necessary:

There are practically only two kinds of foreign wrappers imported and used in this country—such as are grown in Cuba and known as Havana, of which the limited supply brought here is used exclusively by the large manufacturers making the higher grades of cigars, while the other, which is raised on the island of Sumatra, owing to its fine appearance and texture has come into such general use as to become almost indispensable to the largest number of manufacturers, while the impression exists among smokers that the extreme high price of such wrappers is due to the superior quality of the tobacco, and are consequently largely prejudiced in its favor.

At the time the present tariff went into effect no less than 20,000 cigar factories were in operation, a great majority of them being controlled by those possessing but moderate means, and consequently limited credit.

In order to produce desirable goods they are obliged to use Sumatra wrappers, but are confronted with its greatly advanced cost, the value of a single bale being about $750. To be enabled to cater to the fastidiousness of the cigar consumers—some preferring light and others dark shades—at least two bales of wrappers are required, aggregating

an outlay of about $1,500. Being unable to command the capital required, and importers not being inclined to extend financial accommodations to that extent, large numbers of them have been compelled to retire from the business, while many others are rapidly being forced into a like position, and, as a consequence, are obliged to seek employment in the several large manufactories that are for this reason gradually absorbing the entire trade, throwing thousands of workmen out of employment, and displacing the millions of pounds of domestic tobacco which they otherwise would consume in the making of cigars if the necessary wrappers could be procured at a moderate cost.

That this advanced duty is not conducive to our own tobacco growers, for whose benefit this high tariff was imposed, is clearly demonstrated by the fact that prior thereto tobacco raised in the State of Pennsylvania yielded them an average of about 14 cents per pound, and notwithstanding a reduced acreage the prices have declined until now, when 10 cents a pound is very acceptable. In Wisconsin, Ohio, and other States, the depreciation is still more marked, the producers in the first-named State seeking purchasers for their crops at 6 to 7 cents, whereas a few years previous double that price was more easily obtainable.

That the curtailment in the use of Sumatra wrappers, for reasons herein explained, materially decreases the amount of revenue collected requires no comment; while the reduced rate would greatly increase the consumption and consequently inure to the advantage of the Government; while also the additional quantities of cigars which would be produced under a lower rate of duty would unquestionably largely increase the receipts through the internal revenue.

All these conditions being duly considered, we assume the temerity of claiming that with a uniform tax of 50 cents per pound on all leaf tobacco unstemmed, and 60 cents per pound for such as is stemmed, the present depression in this line of business will disappear, renewed employment be furnished to the thousands of idle cigar-makers, will advance the prices of American-grown tobaccos to their former standard, and relieve the Government of the onerous task of requiring expert testimony to enable it to decide as to the rates of duty to be imposed.

We therefore pray that you will, in the exercise of your superior judgment, decide to substitute the specific duty herein suggested for the present indefinite and unpopular one.

Truly and respectfully,

LEWIS SYLVESTER & SON.

LEAF TOBACCO.

(Paragraph 242.)

TOBACCO AND THE TARIFF IN PENNSYLVANIA.

Pennsylvania has devoted to the production of leaf tobacco, for the last fifteen years, on an average about 20,000 acres of the best land in the State. The product has averaged in those years at least 30,000,000 pounds a year. In Lancaster County alone we have produced in thirty-two years about 400,000,000 pounds. We now produce about 15,000,000 pounds a year. According to the census of 1890, this is the greatest tobacco-producing county in the United States.

For many years the price all round averaged in the neighborhood of 15 cents per pound, but with the increase of Sumatran importations the price declined, until, in 1890, just before the passage of the present tariff act, it reached the lowest figure known in the history of tobacco culture in Pennsylvania, as low as 5½ and 6 cents per pound. After the passage of the present act, and, indeed, before its final passage, in anticipation of its passage, the price began to rise, and the first crop sold after the present duty was imposed realized from 25 to 40 per cent more per pound than was obtained the previous year.

It has been estimated that the increased duty netted the tobacco farmers of Lancaster County alone in the neighborhood of a half million dollars the first year. But this was not the only benefit. In the ninth internal-revenue district, consisting of several counties in Pennsylvania, there are 2,453 cigar factories, whose output is about 627,321,550 cigars a year. Prior to the passage of the present law as many as 25 per cent of these factories used Sumatran wrappers. They were put on cigars sold at wholesale as low as $15 and $16 per thousand. The increased duty of $1.25 enhanced the price of the Sumatran goods so much that they could not be profitably used on cigars that sold for less than $28 or $30. Now, of the 627,321,550 cigars manufactured in the ninth internal-revenue district, three-fourths are the cheaper grades, and not more than 8 per cent of the factories use imported wrappers. So that the domestic wrapper has displaced the imported article on many millions of cigars, and to that extent increased the demand for home product.

In still another way domestic growers have been benefited by the increased duty. The high price of the Sumatran leaf has led manufacturers to economize in the manufacture of high-grade cigars, by the use of a combination filler of domestic and Havana goods, thus increasing the demand for the inferior grades of our domestic product.

It costs, to produce a pound of seed leaf tobacco, about 8 or 9 cents; Havana, about 10 cents per pound. In bad seasons not more than 25 per cent is fit for wrappers. If the product is of superior quality it may yield 50 or 60 per cent of wrappers. Good wrappers will at this time bring from 25 to 35 cents and fillers from 1 to 5 cents per pound. In Lancaster County we are now producing seed leaf and Havana in the ratio of about 1 to 2.

The following tabulated statement further emphasizes the points made in the foregoing statement.

Imports of leaf tobacco for the fiscal years ending June 30, 1890, 1891, 1892, and 1893.

	1890.		1891.		1892.		1893.	
	Pounds.	Value.	Pounds.	Value.	Pounds.	Value.	Pounds.	Value.
Netherlands	9,734,999	$9,087,388	4,908,545	$4,682,493	2,661,932	$1,899,721	5,374,765	$5,078,315
Cuba	16,916,695	8,106,233	16,092,198	7,141,465	18,432,323	7,997,015	21,694,891	8,940,058
All other countries	2,068,980	1,461,571	2,060,355	1,460,204	894,280	435,687	1,040,914	684,757
Total	28,029,674	17,605,192	23,061,008	13,284,162	21,988,535	10,332,423	28,110,570	14,703,129

Estimated duty paid on Sumatra tobacco in the years named.

1890	$4,062,199.48
1891	9,817,090.00
1892	5,323,864.00
1893	10,749,530.00

These figures show that the present duty on Sumatran leaf tobacco yields abundant revenue to the Government as well as protection to home producers, thus carrying on its wings a double blessing.

Statement showing the total importation of cigars into the United States for the years named.

Year.	Pounds.	Value.	Year.	Pounds.	Value.
1890	1,250,217	$4,026,626	1892	658,189	[illegible]
1891	885,139	3,286,899	1893	464,695	[illegible]

This shows that importations of cigars have diminished since 1890 almost 50 per cent. When it is considered that Pennsylvania makes about one-fourth of all the cigars manufactured in the United States it will easily be seen how a Pennsylvania industry has been benefited by the present duty on cigars.

Number of cigars taxed in the United States.

Year ending June 30—	
1890	4,067,899,963
1891	4,474,892,767
1892	4,548,799,417
1893	4,814,202,117

This statement represents also approximately the number of cigars manufactured in the United States.

Number of cigars manufactured in Pennsylvania in the years named.

1890	1,007,819,252
1891	1,169,699,969
1892	1,232,890,889

Pounds of leaf tobacco manufactured into cigars in Pennsylvania in the years named.

1890	1[illegible]
1891	2[illegible]
1892	2[illegible]

Some of this data was supplied by F. R. Diffenderfer, of the L whose knowledge on the subject is excelled by that of no other ma

These figures show a progressively increasing busi vania in the manufacture of cigars since the present into operation.

Respectfully submitted.

M.
Tenth District,

LEAF TOBACCO.

(Paragraph 242.)

WEDNESDAY, *Septe*

STATEMENT OF HON. LEWIS SPERRY.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMM sent a district which is a manufacturing district, pr It not only manufactures very largely, but manufa variety. I wish to appear to-day in the interest of

ask you to sustain, if possible, the present tax levied upon Sumatra tobacco, which is a wrapper leaf, as is all the tobacco raised in Connecticut. The foreign tobacco comes in competition with the Connecticut leaf. Wrapper leaf is also raised in New York, Pennsylvania, Wisconsin, and Ohio, and of late it is coming to be raised considerably in Georgia and Florida, where they are now deriving considerable advantage from the present tariff on Sumatra. I shall not present the matter to the committee as a protective measure, although if anybody could be benefited by a tariff, I think the farmer ought to be. That is impossible for the most part, and yet in this particular product there is some benefit accruing to the farmer from the tax on the imported leaf. While not wishing to put it on that ground, I would appeal to the good judgment of this committee to leave the duty on.

I have procured from the Bureau of Statistics of the Treasury an accurate statement as to the amount of imports of tobacco from the Netherlands, which means Sumatra tobacco, and I hope the committee will examine the figures. I trust the committee will bear in mind that this leaf is Sumatra leaf only. The statement does not include the Cuban leaf, which is a filler leaf, although wrappers do come from Cuba.

I have argued this as good Democratic doctrine—that the tax should be levied on liquors, tobacco, and the ordinary luxuries, so far as revenue could reasonably be derived out of those products, putting it on a revenue basis only. This present tax, although high ($2 per pound), is not a prohibitory tax. As was stated by the gentleman from Baltimore last week, it is not a tax which goes to the extent of discouraging importations of leaf. I would call the attention of the committee to the fact that for the year ending June 30, 1893, the customs on imports amount to $10,749,530, which is almost double the amount of revenue that was received in any previous year, with the exception of 1891, when the receipts were considerably increased under the McKinley bill. The tax of $2 a pound now brings a revenue to the Treasury about double what it ever was before.

As to the nature of this tax, I would like to emphasize, if possible, what was said by the gentleman from Baltimore, that it is not a tax on a necessity, but it is a tax on a luxury; and I may still further defend it as a luxury by saying, that it is the gloss on the Sumatra leaf which so largely recommends it for a cigar wrapper. Another advantage is its color. In Sumatra it is graded down to a nicety after it has been through the sweat. The manufacturer can, therefore, buy anything he wants in the way of a shade of color to suit his trade. So that the tax, as now levied, is a tax upon the color of the wrapper of the cigar. That is just about all it is. Under the present tariff it can not be used on a cigar which sells for less than $30 a thousand. So that tax is a tax on wrapper leaf, and a tax on the cigar which sells for over 5 cents at retail. I think this wrapper is used on something over half of the cigars which retail at more than 5 cents.

Mr. TURNER. It seems the domestic wrapper is used on the cheaper cigars?

Mr. SPERRY. Yes, sir; the Sumatra leaf is not used on any cigar that sells for less than $30 a thousand.

Mr. TURNER. You are afraid the Sumatra would be used if the duty is changed?

Mr. SPERRY. Yes, sir. Cigar rollers like to use it. It would prevent the use of the domestic leaf on the cheaper cigars.

Mr. GEAR. It adds nothing to the smoking value of a cigar?

Mr. SPERRY. No; it deteriorates the value of a cigar, because it is bitter. Nobody would smoke a cigar made wholly of Sumatra leaf. I wish to lay before the committee, as a part of the case, an article from the New England Homestead:

[From the New England Homestead, September 14, 1893.]

The proposition to double the internal-revenue tax on beer and restore the former taxes on tobacco will meet with but little opposition. These are luxuries which are proper subjects of taxation. But to couple higher internal-revenue taxes on tobacco with a reduction in duty on imported leaf, as David A. Wells suggests, would be the height of stupidity. As is shown by The Homestead's exhaustive inquiry on on another page, the average receipts from the duties on tobacco leaf under the tariff of 1883 were about $6,000,000 per year, while under the present tariff the Government has actually received nearly $8,500,000 a year in revenue, and but for the holding of an extraordinary quantity of leaf in bond in anticipation of lower duties, the revenue under the new tariff would have averaged nearly $15,000,000 a year. In other words, the present duty produces from two to three times as much revenue as the former rates and four times as much as was collected under the uniform rate of 35 cents per pound prior to 1883. Now, to reduce the duty on foreign leaf would not only reduce the revenue, but it would be mighty rough on the domestic industry to thus foster imports of foreign leaf while at the same time doubling internal taxes on the domestic product.

THE TOBACCO CROP—THE WHOLE INDUSTRY THREATENED.

What it will mean to have the wrapper duty reduced from $2 to 35 cents per pound—The truth about the tobacco tariff—Just how it has resulted—Present rates are productive of the greatest revenue ever received from imported leaf—Facts that should be instantly laid before the tariff revision committee at Washington.

The raising of fine wrapper tobacco was a fairly remunerative business in New England, New York, and Pennsylvania from 1860 to 1880. From the latter date until 1890 the domestic industry languished, owing to enormous imports of leaf from new plantations in Sumatra. During this period the Connecticut Valley area shrank one-half, the crop was sold at an average of from 10 to 12 cents per pound, its total value being only from $1,000,000 to $1,500,000 annually. But in 1890 the industry revived, in anticipation of the duty on foreign wrappers being increased from 75 cents to $2 per pound, with an iron-clad phraseology, so that the higher rate could not be evaded.

The New England crop that year advanced in value 50 per cent, commanding an average of 19 cents per pound, against only 12 cents the year before, while the market for the 1892 crop opened at an average of 24 cents, or double the price of the 1889 crop.

The New England acreage increased from 7,803 in 1889 to 13,800 acres last season.

The total value of the crop jumped from $1,481,000 in 1889 to $3,421,000 in 1891 and over $6,000,000 in 1892. But values were at once unsettled when the election showed that the tobacco tariff was to be attacked, prices of the 1892 crop thereafter declined, and there is no market for the 1893 crop.

The crops of 1890 and 1891, sold at old-time prices, brought prosperity. Mortgages were paid, improvements made, and thrift and cheer succeeded the discouragement of the previous ten years.

Meanwhile, cigar manufacturers prospered as never before, and retail prices of manufactured goods did not advance. Our Government got a larger revenue from tobacco than ever. The burden of the higher duty fell on the few importers and the Dutch syndicates that controlled the Sumatra plantations and slave labor. Their shares depreciated and some of their plantations relapsed into jungle.

Now, it is proposed to change all this, to boom these Dutch syndicates, ruin American growers, upset our domestic manufacturing industry and deplete our already insufficient revenues by wiping out the $2 rate, and admitting wrappers like other leaf at 35 cents per pound duty.

Table showing the quantities imported or withdrawn for consumption of wrappers and other leaf, duties collected, and value per pound of the leaf imported.

[Duties up to 1884, 35 cents per pound on all leaf; 1884 to October 6, 1890, on wrappers 75 cents, other leaf, 35 cents; since October 6, 1890, wrappers $2, other leaf, 35 cents.]

* All but 16,359 pounds of this quantity was imported prior to October 6, 1890, and got in at 75 cents per pound, only the smaller quantity named paying $2 per pound.

† The imports for consumption of the fiscal year 1893 are estimated by adding to the gross imports for 1893 the leaf in bond June 30, 1892, and subtracting the quantity in bond, June 30, 1893, and amount reëxported during the year. The official verification of these data will not materially alter the figures, but will be available next week.

‡ The quantity of wrappers in bond June 30, 1893, was 5,622,006 pounds against 10,068 pounds on the same date in 1891, leaving 5,611,935 pounds more in bond than is usual when no tariff changes are in prospect. So the bonded "other leaf" was 12,997,413 pounds against 7,693,174 pounds June 30, 1891, leaving 5,304,239 pounds extra in bond now. In other words, the net quantity reported in table as in bond June 30, 1893, represents the extra stocks, which but for the prospective lower duty would have paid duties and passed into consumption ere this, leaving in bond only the usual quantity, as on June 30, 1891, allowed for above.

THE FACTS ABOUT WRAPPERS.

It appears from this table that in the eight fiscal years from 1885–'92, inclusive, the total quantity of wrapper leaf on which the wrapper duty was paid amounted to 13,285,753 pounds.

But it is notorious that immense quantities of wrappers were fraudulently imported at the lower rate from 1883 to 1889. It was only in that latter year that the Treasury Department rulings obtained by the New England Tobacco Growers' Association put a partial stop to this practice. Some of this wrapper leaf was Cuban, though most Cuban leaf is used for fillers, with a few binders. But all Sumatra leaf is wrappers—nothing but wrappers.

The quantity of Sumatra leaf imported into the United States in the eight years 1885–'92 was 38,623,213 pounds, according to an official statement to the Homestead dated October 8, 1892, from Chief Brock of the Treasury Bureau of Statistics. Allowing that the 2,529,877 pounds of wrappers in bond on June 30, 1892, was all Sumatran leaf, deducting it from the imports just named, and we find that the United States consumed during the eight years under review 36,093,336 pounds of Sumatran wrappers.

But the quantity of wrappers that paid duty as such during this period was only 13,285,753 pounds. The difference between this quantity and the amount actually consumed in the United States is 22,807,583 pounds. This vast quantity of wrapper leaf got in as "other leaf" upon payment of only 35 cents per pound duty, whereas it should have paid 75 cents. The Government was thus defrauded out of a total of $7,623,189, according to the summary below. Taking no account of wrappers from Cuba that have come in as "other leaf," the true case stands thus, in the eight years 1885–'92:

Quantity of wrappers imported.

	Pounds.
Sumatra wrappers imported 1885–'92	36,622,213
Total wrappers in bond June 30, 1892	2,539,577
Consumed in United States	36,083,336
Paid duty as wrappers	13,285,753
Wrappers admitted as "other leaf"	22,807,583
Total "other leaf" imported, 1885–'92	120,992,224
Deduct wrappers admitted as "other leaf" and the "other leaf" really was	98,884,641

Duties on wrappers and other leaf.

Duties paid on wrappers 1885–'92	$10,403,386
Duties at 75 cents per pound on 22,807,583 pounds wrappers, fraudulently admitted as "other leaf"	17,105,787
Total duties due on wrappers	27,509,173
Duty on 98,884,641 pounds at 35 cents	34,609,624
Total duties due 1885–'92	62,118,797
Duties collected ($40,403,386 on wrappers and $41,092,222 on other leaf)	54,495,608
Government was defrauded out of	7,623,189

THE QUESTION OF REVENUE.

But let us take the revenue that was actually collected.

The tariff on leaf tobacco prior to 1883 was a uniform rate of 35 cents per pound. That was before the advent of Sumatra, and imports were practically all Havana fillers with a few Cuban wrappers. The duties collected on tobacco under the old tariff were from $2,500,000 to $3,500,000, being in 1882 just $3,470,545.

For the eight years, therefore, the average revenue on wrappers would have been $3,438,646 annually but for the colossal frauds noted. Under the same circumstances, the average revenue on other leaf would have been $4,327,453 per year. There should have been a total net revenue from these two grades of leaf of $8,766,099 per year—about equally divided between the two.

Beginning with the fiscal year 1884 and including 1890 (but exclusive of the fiscal year ended June 30, 1891, when the imports of wrappers were practically all made prior to October 6, 1890, in anticipation of the $2 rate which then went into effect), and we find that the total duties actually collected varied from $4,905,000 to $8,642,000, and for the seven years averaged $6,123,000. The duties paid on wrappers during this period ranged from $22,000 to $2,817,000, averaging $616,000. The duties paid on "other leaf" were from $4,882,000 to $5,825,000, averaging $5,700,000. As exposed above, there were great frauds in the revenue during these years.

During the two fiscal years 1892–'93, after business under the new tariff was well established, the total revenue on both wrappers and other leaf averaged $8,331,585. Adding duties on the excess in bond over the usual quantity, which would have been paid but for the expectation of a lower duty, and the revenue for these two years would have averaged $14,871,701.

This is $3,435,457 more revenue than was paid during 1891, when such enormous quantities of leaf were rushed in before October 6, '90, to get wrappers in at 75 cents instead of $2 duty.

The imports of '91 represent the maximum. Now if the wrapper imports that year had paid only 35 cents, the total revenue would have been only $8,534,699.

Thus at the maximum the uniform 35-cent rate now demanded by importers was only about as much as the average duties actually paid during the two past years when duties were paid on the minimum quantity.

But for speculators holding back excessive stock in bond in anticipation of lower duties, we have just shown that the revenue for the past two years should have averaged nearly 15 million dollars annually, or almost twice as much as the maximum revenue possible under the 35-cent rate.

THE RATE OF DUTY.

Instead of being prohibitive, $2 per pound proves not to be the limit of a revenue duty. Probably $3 per pound on wrappers would produce still more revenue. Tobacco is a fit subject for tariff taxation. It pays a less duty here than in F[illegible]

The average value of "other leaf" imported at 35 cents duty has been 55 cents per pound. That specific duty has, therefore, been equal to an average ad valorem duty of 69 per cent. In 1890 the wrapper leaf was valued at just about $1 per pound, so that the specific duty of 75 cents was equal to 75 per cent ad valorem.

Now, under the $2 rate, the average invoice value of imported wrappers is returned at 86 cents per pound, probably a gross undervaluation. But accepting this, the $2 specific duty is equal to 233 per cent ad valorem. But 1 pound of these Sumatra wrappers will average to cover certainly as many cigars as 4 pounds of fine domestic wrappers. Hence, so far as the American grower's crop is concerned, his protection in wrappers is an ad valorem duty of one-fourth this, or only 57 per cent.

In other words, binders and fillers pay 69 per cent ad valorem duty, while the tariff on wrappers is equal to only 57 per cent.

The existing tariff on cigars is equivalent to nearly 200 per cent ad valorem. To equal this protection to the producer of wrappers the duty on wrappers would have to be at least $6 per pound.

[From the New England Homestead of August 31, 1893.]

IT IS A REVENUE DUTY ON CIGARS.

THE PRESENT TARIFF WORKS ON MANUFACTURES THE SAME AS ON LEAF.

The duty of $2 per pound on imported leaf suitable for cigar wrappers and 35 cents on other leaf was shown by the Homestead last week to have yielded an actual revenue to the Government of $8,500,000 annually for the three years it has been in operation, against only $6,000,000 under the 75 cent and 35 cent duties of the former tariff. But for the holding of an extraordinary quantity of leaf in bond in anticipation of lower duties, the revenue on leaf under the new tariff would have averaged nearly $15,000,000 a year. Thus the present duty on leaf produces two or three times as much revenue as the former rates, and four times as much as was collected under the uniform rate 35 cents per pound prior to 1883. Meanwhile domestic tobacco culture thrived. The facts noted were all taken direct from the official reports of the United States Treasury Department, except that for 1893 was estimated, but a letter from W. G. Ford, esq., chief bureau of statistics, shows that this estimate of the past year's imports and withdrawals for consumption were too much by only 19,033 pounds of wrappers and 40,910 pounds of other leaf, or only $52,384 in revenue.

Now we propose to show from the same official records that a similar effect has followed the increase of the duties on manufactured cigars from $2.50 per pound and 25 per cent ad valorem—the rate in force for twenty years or so—to $4.50 per pound and 25 per cent ad valorem by the tariff which went into effect October 6, 1890. Here is a table that shows the quantity of cigars imported or withdrawn for consumption on which duties were actually paid, their total value and value per pound, the amount of duties paid, and the ad valorem rate of duty.

The imports of cigars and duties paid.

* The total imports for this year are assumed to have paid duty; the amount on which duty was paid is not yet published, but the official reports for the first nine months of the year show that fully this quantity paid duty, in spite of an extra large amount left in bond.

WHAT THE TABLE SHOWS.

First. Note that the average revenue for the three years of the McKinley tariff has been nearly $200,000 a year more than the average for the previous seven years.

Second. Exclusive of the fiscal year ending June 30, 1890, when imports of cigars were abnormally large in anticipation of higher duties, the average revenue under the McKinley tariff has been nearly $300,000 a year greater than the average under the former tariff.

Third. The quantity of cigars imported has been materially reduced, but they have been of much better quality and higher value, the higher duty upon which has been no burden.

Fourth. These fancy imported cigars are consumed by the wealthy, who can afford to pay fancy prices.

Fifth. The total duties paid on imported cigars under the McKinley tariff have been equal to 133 per cent ad valorem, or an increase of only about one-quarter over the rate under the previous tariff.

The data in the above table for the fiscal year ending June 30, 1891, include imports for the three months and six days ended October 6, 1890, of the old tariff. During that first quarter the imports were 451,490 pounds of cigars and cheroots, valued at $3.53 per pound, on which the duty of $2.50 per pound and 25 per cent ad valorem was equal to an ad valorem rate of duty of 96 per cent. In the ensuing nine months ended June 30, 1891, imports were 405,374 pounds valued at $4.38 per pound, and the higher duties of $4.50 per pound and 25 per cent equal an ad valorem rate of 128 per cent. The duties collected in the first quarter of this year under the low tariff were $1,526,898, and during the rest of the year under the high tariff amounted to $2,268,030. Thus the higher tariff even in the very first year did not restrict imports and materially increased the revenue.

EFFECT ON DOMESTIC INDUSTRY.

During this period our domestic cigar-manufacturing business was never more prosperous, though, like all industry, it has been dull since last June. While manufacturers and cigar-makers have prospered, prices to consumers have not increased. To show how the manufacture of domestic cigars has developed we add a few figures compiled from the official reports of the Commissioner of Internal Revenue, showing the production and internal revenue thereon in the United States for the past three years compared with previous periods:

than 52 cents a pound. The column headed "Duty" is based upon the supposition that all the tobacco represented in the first column went into consumption in the year of importation. This supposition is, of course, not scientifically true, as tobacco imported in one year may remain for a long time in warehouse before passing into consumption. With this explanation, I think it will be perfectly safe to use the table as it stands.

Yours respectfully,

WORTHINGTON C. FORD,
Chief of Bureau.

Hon. LEWIS SPERRY,
House of Representatives.

Imports of leaf tobacco from the Netherlands into the United States during each fiscal year from 1881 to 1893.

	Duty.	Ad valorem.
		Per cent.
	$70,210.70	40.9
	273,967.05	56.2
	1,985,844.12	67.5
	313,838.72	66.2
	1,153,317.88	61.3
	2,080,269.88	61.2
	2,190,934.72	60.9
	3,047,965.44	54.0
	2,612,716.80	60.2
	4,062,199.48	44.9
	9,817,090.00	209.6
	5,823,864.00	280.2
	10,748,880.00	211.6

LEAF TOBACCO.

(Paragraph 249.)

STATEMENT OF CIGAR MANUFACTURERS ASSOCIATION OF INDIANA.

We, the undersigned, constituting the executive board of the Cigar Manufacturers' Association of Indiana, and representing 583 manufacturers, respectfully petition your honorable body to amend Schedule F of the McKinley tariff bill so as to make a uniform rate of duty not exceeding 35 cents per pound on all unstemmed leaf tobacco, and 50 cents on all stemmed leaf tobacco, as a continuation of the present exorbitant and unjust rate will speedily drive all employers of skilled cigar-makers out of business, for we have learned to our sorrow that we could not raise the price of our product to conform to the high rate of duty, for the reason that there are many employers of underpaid and unskilled labor who stood ready to sell our customers at old prices. Consequently, relying on the hope that Congress would remedy the imposition we have up to the present time been selling our product at a loss in order to hold our trade, which some of us have been years in establishing. Should the present rate continue we shall be obliged to close our factories or reduce the present scale of wages by one-half. However, we confidently hope that the result of your deliberations will not compel us to resort to either extremity. Were it not for the necessities of the Government we would petition your honorable body for free raw material as promised by the resolutions adopted at the Chicago convention and ratified by the people last November.

We observe with deep concern that you are entertaining a proposition to increase the internal-revenue tax on cigars from $3 per 1,000, the present rate, to $6 per 1,000. This increase. with even a tariff of only 35 cents per pound on imported leaf, would not better our condition in the least. We therefore suggest that if tobacco is to raise a certain proportion of our revenue, that you increase the internal tax on manufactured tobacco to the amount now paid by cigars, which are taxed at the rate of about 20 cents per pound, while manufactured tobacco pays but 6 cents per pound; the increased revenue derived from this equalization of tobacco taxes would most probably meet the proportion to be raised from this product. We therefore hope that after due deliberation you will see your way clear to do us justice by removing the burden placed on our industry by that monstrosity "the McKinley bill."

EDWARD ANSCHUETZ.
SIMON SCHMALHOLZ.
JOHN RAUCH.
THOS. J. HAMILTON.
FRED. RIEBEL.
A. STEFFIN, *Secretary.*

CIGARS.

(Paragraph 246.)

NEW YORK, *September 23, 1893.*

SIR: The undersigned, importers of cigars, respectfully suggest that in revising the tariff on cigars the duty should be fixed at not more than $2 per pound and 20 per cent ad valorem, we believing that this rate will produce a larger revenue than that received under the present tariff, or under the former one of $2.50 per pound and 25 per cent, and at the same time amply protect the domestic manufacturers.

The average dutiable value of imported cigars is about $52 per thousand, and average weight 10¾ pounds per thousand.

On this basis the proposed duty would be $31.90 per thousand equal to 61.3 per cent of dutiable value.

Taking as types "low-priced," "medium," and "fine" cigars, the duty proposed would be, low-priced, value $24, weight 10 pounds, $24.80 per thousand, or 103⅓ per cent; medium, value $50, weight 12 pounds, $34 per thousand, or 68 per cent; fine, value $100, weight 15 pounds, $50 per thousand, or 50 per cent.

Should the duty on leaf tobacco remain as at present, $2 per pound on wrappers and 35 cents per pound on fillers, the specific duty suggested for cigars, $2 per pound, would be the same as to the wrapper (a small portion of the weight of the finished cigar), and would afford a protection as to the filler of $1.65 per pound, in addition to 20 per cent on the value of the cigar.

Assuming that it requires as much as 20 pounds of filler to manufacture cigars weighing 10 pounds, the duty on the unmanufactured filler would be: 20 pounds, at 35 cents, $7; duty on same filler manufactured into cigars in a foreign country, 10 pounds, at $2, $20; thus making the duty on the manufactured product nearly three times that on the raw

material for the same, in addition to 20 per cent on the value of the finished article.

Under the previous tariff of $2.50 per pound and 25 per cent the imports of cigars amounted to less than 3 per cent of the quantity manufactured in the United States. Under the present tariff it is less than 2 per cent. This would indicate that the manufacturing industry has for some time been established here on a secure basis.

Yours, respectfully,

W. H. THOMAS & BRO.
PARK TREFORD.
G. W. FABER.
ACKER, MERRALL & CONDIT.
G. S. NICHOLAS.

SCHEDULE G.

AGRICULTURAL PRODUCTS AND PROVISIONS.

FARM PRODUCTS.

(Schedule G.)

STATEMENT OF MR. JOSEPH NIMMO, OF HUNTINGTON, LONG ISLAND, NEW YORK.

MONDAY, *September 18, 1893.*

Mr. CHAIRMAN. I appear here as representing the agricultural interests of Long Island, especially of Suffolk County, and I have just handed to the clerk of the committee a petition which is most numerously signed; but other petitions will follow both from Suffolk and I understand also from Queens County. I will consume a part of the time allotted to us and the rest will be consumed by Mr. Eugene Parker, of Shelter Island. * * * But as the conditions, with respect to protection under our tariff laws, which apply to Long Island agriculture are common to the entire State, I can not do otherwise than treat the subject in its entirety. I shall, therefore, in as few words as possible, attempt to prove to you that there is no other State in the Union whose agriculture is so much in need of protection as is that of New York; no other State more deserving of protection, or which has in its farming interests derived greater benefits from protection. All this becomes clearly apparent upon a hasty glance at the main facts in the agricultural history of our State.

The completion of the Erie Canal in the year 1826, with its subsequent enlargements—a New York State public work—made New York City the commercial metropolis of the Western world; but in the course of a few years it became an instrument whereby the agricultural interests of our State were greatly depressed and ultimately revolutionized. Not even in the fruitful Genesee Valley were our farmers able to compete with Western farmers in the production of the cereals or in raising horses, cattle, sheep, and hogs. The great West became the source of supply for breadstuffs and provisions, not only in our own markets but for export to foreign countries. The inevitable result was that for many years the agricultural lands of the State of New York were greatly depreciated in value. Many of our brawniest and most enterprising young men went West. In many instances briars and underbrush covered farms which before had maintained thrifty homes. But the sturdiest of our farmers clung tenaciously to the sod of their native State. Never despairing, they set about the task of discovering some means of deliverance from an environment which seemed to be barring them out of their own market. They investigated and experimented. The aids of science and art were called into requisition. The farmers' institute and agricultural journalism also accomplished much. At last the whole character of our agriculture was revolutionized. New modes of tillage were inaugurated, and a new line of staple agricultural products was adopted. But as prosperity was once more dawning upon our farmers a nearer and a sharper competition appeared. It was like the irony of fate. I refer to the fertile provinces of Ontario and Quebec, which join New York on the north and west, and which have a soil similar to that of northern Ohio, Indiana, and Illinois, eastern Wis-

consin, and the whole of Michigan, all being situated in the St. Lawrence Basin. The Canadian farmers began sharply to compete with our New York farmers in the whole line of their new specialties and with the advantages of cheaper labor.

This latter fact is unquestionable for the reason that thousands—yes, hundreds of thousands—of Canadian laborers have during the last twenty-five years been drawn to the United States by the attraction of higher wages. Canadian competition is easy by the Champlain Canal route and over the various railroads which extend from New York to the Canadian frontier. In important instances the rates for transportation are actually less from some of the principal towns in Canada than from points in the State of New York. Besides, three-fourths of the imports of agricultural products from countries beyond the sea are brought to New York city at the very lowest return cargo rates. But relief came from an unexpected source. Our war tariff, which was, as we all know, devised with the single object in view of saving the life of this nation, was fairly protective, and the beneficent provisions of that policy have been enjoyed by New York farmers for thirty-two years. Under this favorable condition a new generation of farmers has appeared. Finally when that last and most important of all the reductions in our customs revenues was made in the McKinley bill—Republican tariff reform—our New York farmers came on here from Dunkirk at the west, and Rouse Point at the north, almost to Montauk Point, at the east end of Long Island, and proved to the then Committee on Ways and Means that they needed and had good reason for asking additional protection on their staple products, and they got about what they asked for. All this is clearly set forth in the printed testimony taken by the Committee on Ways and Means of that time, and I need not go over the ground. And now, Mr. Chairman, I will, as rapidly as possible, ask your attention to a few of the more important of the grand results achieved by the indomitable perseverance and intelligent enterprise of New York farmers, aided by a beneficent tariff policy. New York is to-day the first State of the Union, as to the value of its hay crop, which, for the last five years, averaged in value about $65,000,000; the next State in the order of value being Pennsylvania, whose hay crop was valued at about $36,000,000. You are undoubtedly aware, Mr. Chairman, that the farm value of the hay crop of this country greatly exceeds the farm value of our cotton crop. They stand thus: Hay, $400,000,000; cotton, $305,000,000. In the production of potatoes, New York stands at the head of the list, the average home value of our potato crop for the last five years reported having been very nearly $12,000,000; the next State in the order of value being Pennsylvania, whose potato crop was valued at only $6,700,000. Then New York has become the largest producer of beans. The annual value of our bean crop is about $4,000,000. The beans of Boston are chiefly raised in New York. Then certain counties have made hops their specialty, the average value of this crop for the State being over $6,000,000. Other counties have found their soil and climate suitable to the raising of tobacco, chiefly for wrappers. Wayne County produces peppermint and converts it into the peppermint oil of commerce. The raising of poultry is also a large industry throughout the State, the value of our poultry and egg product being about $7,300,000 annually.

Wheat, corn, oats, also domestic animals—horses, cattle, sheep, and hogs—are alternative products and chiefly for local consumption. Long Island is the garden of New York and Brooklyn. Our vegetables command the highest prices in these markets. We can raise cabbages

enough to meet the sauerkraut demand of the nation, and it is said that at the east end of Suffolk County we raise half the cauliflower raised in the United States. Then our pickle factories have become important industries, and great helps to the farmer. Each one of these farm products is fairly protected.

Fruit raising is becoming a very important industry throughout the State of New York, and to it is allied hundreds of industries, great and small, devoted to the preserving of fruits, which are sold in the principal markets of the country. These industries and fruit raising were greatly stimulated by putting sugar on the free list—one of the most important features of the McKinley act. The year after that act was passed more fruit and sugar came together in the State of New York than in any previous year of its history. Yes, sir; among the felicities of our present tariff policy, the New York farmer has free fertilizers for the enrichment of his soil, and free sugar for preserving the fruits of his soil. He also has a free breakfast table—free tea, free coffee, and free sugar. Yes, sir; the tariff now in force protects the laboring man both on its dutiable side and on its free side.

I can not, however, take your time to state in detail what the present protective-tariff policy has done directly for New York agriculture. The tariff indicates that upon its face.

But, Mr. Chairman and gentlemen, there is another aspect of the benefits afforded to New York farmers in the McKinley act which I can not omit. I refer to the hundreds—yes, thousands—of local markets created for agricultural products by protected manufactures of our State from Buffalo at the west, and Plattsburg at the north, away down to Sag Harbor, on Long Island. There is no State in the Union in which manufactures have been so happily correlated with agriculture. There is to-day hardly one of the sixty counties of our State which has not some tariff-protected industry, and the result is that New York State is by many millions the first manufacturing State in the Union. Yes, sir; it is our local markets, created by protected manufactures, which to-day constitute the most beneficent feature of the entire protective policy in its application to agriculture. From one end of our great State to another you can find abundant verification of the important economic fact that wherever manufactures are located, there the farmer prospers and the value of his lands appreciates. At the same time the people employed in manufactures are benefited by their proximity to agricultural production.

This happy association of manufactures with agriculture has been rapidly developing on Long Island during the last ten years. We have a rubber goods factory employing 500 persons, an agate-ware factory employing over 1,200 persons, a watch-case factory, lace-curtain factories, quite a variety of toy factories carried on by Germans who have come among us during the last twenty years, besides gold-beaters, aluminium-beaters, platinum-beaters, and silver-beaters, and other small industries. But time forbids that I should go into the detail of this wonderful story, full of hope and joy and prosperity to the thousands of homes in the great State of New York. I will just give you one illustration of what manufactures do for the general interests of our State. The amount paid for wages of labor in the manufactures of the cities of New York and Brooklyn during the census year 1890 amounted to $290,512,997, whereas the total amount paid on account of labor in the importing business of New York amounted to only $2,700,000. That illustrates the relative magnitude of the market for agricultural

products created by manufactures and by foreign commerce in the chief commercial city of America.

The value of the products of manufacture in the United States in 1860 amounted to $1,886,861,676, and the indications from worked-up data are that the total for 1890 will be over $9,000,000,000. It also appears probable that the increased production was greater in New York than in any other State. Our agriculture has correspondingly increased.

Mr. Chairman, it is to our protective tariff mainly that we owe this enormous development, and the fact that our internal commerce is now fully thirty times as large as our foreign commerce, and larger than the international commerce of the globe. Will you reverse the conditions under which this wonderful development has been realized?

That the prosperity of our vast industrial system was promoted by the McKinley act, and that the welfare of the people of the great State of New York was advanced by the provisions of that act, is proved by the fact that during the first two years after its passage the value of the increased production of manufactures in our State amounted to $31,315,130, while the increase in wages paid to labor amounted to $6,377,925. Besides, during these two years, there was an increase of $85,000,000 in the deposits of the savings banks of the State of New York.

Yes, sir; after thirty-two years of protection we see the commercial, industrial, and agricultural interests of the Empire State full high advanced. She still maintains her proud position as the first State of the Union in population, first in wealth, first in commerce, first in manufactures, and among the very foremost in the value of her products of agriculture, and in the value of her farming lands at the very front. And now, Mr. Chairman, I desire to state to you the precise limitation of the protection which New York farmers seek, and which, by the grace of laws now in force, we enjoy under tariff protection. It is perfectly expressed in the following language of that resolution reported to the National Democratic Convention of 1892—"that when custom-house taxation is levied upon articles of any kind produced in this country the difference between the cost of labor here and abroad, when such a difference exists, fully measures any possible benefit to labor." Yes, sir; that is the sound American doctrine—American rates of wages to American laborers in every branch of American enterprise. And, sir, it remains a pleasant memory and an inspiration of hope that when this Democratic utterance in favor of adequate protection was trampled in the dust by a majority which repudiated protection in every form there were 342 delegates, or nearly 40 per cent of the entire convention, who voted no to the policy of demolition which prevailed.

In the year 1840 a free-trade movement sprung up in France. It went so far as to threaten the destruction of the beet-sugar industry which had been inaugurated by the great Napoleon as a means of securing commercial independence of England, since which time it had been fostered by protection. The brilliant and patriotic statesman, Thiers, afterwards president of the French Republic, was then at the height of his powers. In a wonderfully eloquent speech in the French Assembly he pointed to the fact that hundreds of thousands of French people were earning their daily bread in the intimately related agricultural and manufacturing processes of the beet-sugar industry, and he declared that the destruction of that industry would be a gigantic polit-

ical crime. This important industry was thus saved, and it has become one of the most valuable industries of France.

Sir, we lived in an age in which hot competition and narrow margins condition all commercial effort. When you strike a blow at the carefully nurtured agricultural and manufacturing interests of the great State of New York, or enter upon any line of policy which shall disturb those relationships which have been developed by thirty-two years of fair and beneficent protection, you will perpetrate a wrong far transcending in magnitude that political crime against which the patriot Thiers warned his countrymen fifty years ago.

Mr. TURNER. You say the limit of protection is the disparity of wages between the two countries?

Mr. NIMMO. Yes, sir.

Mr. TURNER. Take the question of hops, do you think the present duty on hops is measured by the statement you have just given?

Mr. NIMMO. I think so, as a general rule. I propose to submit a statement showing the cost and prices of this country and amount of duty, and then a statement showing the average rate of wages, which I shall be able to get from the Bureau of Labor, but I have not been able to get these statistics and I have not had time to work them out: but I will submit a statement in regard to potatoes and onions and all those staples which we have on Long Island.

Mr. TURNER. Perhaps that statement will give us the information.

Mr. PAYNE. There is a difference in the rate of interest here and in the old country, is there not?

Mr. NIMMO. Yes, sir.

Mr. PAYNE. Ought not the capital used in producing these crops also be taken into consideration?

Mr. NIMMO. Yes, sir; that is a view I have not taken, but it certainly should; that is to say if men propose to maintain the doctrine which protectionists maintain, that the difference in the rate of wages and the difference in the permanent body of capital should be maintained.

Mr. PAYNE. You can not make up the difference in wages unless you make up at the same time the difference in interest and other causes which enter into it, cost of machinery, etc., taxes, land, and everything.

Mr. NIMMO. Yes, sir.

Mr. PAYNE. That is all I desire to ask.

Mr. TARSNEY. And notwithstanding the want of competition with Long Island bean-raisers, they have been able to destroy that industry?

Mr. NIMMO. Well, we sue to Massachusetts. I want to call your attention, gentlemen, to this fact; that by consequence of this Canadian and foreign competition, and equally the Western competition, we were driven from these great staples, and we have to put the different soils of our State into just such products as we find suits them. Our Long Island soil is not suitable for beans, but there are certain parts of the State of New York suited to beans where they can be raised, and in other parts tobacco, and so on.

Mr. TURNER. Is there any sale for agricultural lands in New York now, or during the past two years?

Mr. NIMMO. There has been a great deal appreciation of value.

Mr. TURNER. But I am talking about the course of the market value for lands. Are not the Hudson River lands a great deal cheaper than they used to be?

Mr. NIMMO. They vary very much. Some have appreciated very much, and others, which were lands suited for wheat or raising stock——

Mr. TURNER. Are not the farms of New England much cheaper than they used to be?

Mr. NIMMO. On the average I am not prepared to state that.

Mr. TURNER. Perhaps you will also include that in your table?

Mr. NIMMO. Well, I will remember that, sir, and try to get that. I think you will find it is a variable thing. Some of the bottom lands have appreciated, and the upper lands, where they raise cattle, have not; but just as they have discovered the specialty adapted to the land that land has appreciated. The same, gentlemen, as in North Carolina, where lies this bright-tobacco region. At one time it may have been bought for $2 or $3 an acre, and when it was discovered that this tobacco was a specialty it went up to $100 an acre.

Mr. TURNER. I think you must be a little mistaken about it?

Mr. NIMMO. It went up immensely.

Mr. TURNER. Lands are pretty cheap there now. I was raised on those poor acres myself.

Mr. NIMMO. They appreciated very much, but it has been eight or ten years ago.

Mr. TURNER. They did at one time rise in value, but they have not gone up very much.

Mr. NIMMO. I guess you are running them out; I guess you run the soil out. Tobacco is a very exhausting crop.

Mr. TURNER. Those gentlemen who make fertilizers have devised a way to make those lands produce rather too freely and the supply is too large?

Mr. NIMMO. We discover that a certain crop is suited to we have got to alternate. For instance, there is Mr. Parl tell you on Long Island we put out a field of cabbages. T there is a caterpillar who goes to work and eats off the ou and he goes in the ground prepared to get up the next ye the job, but we do not put in cabbages the next year and l fool him.

Mr. TURNER. Are you familiar with the Irish potato in

Mr. NIMMO. Well, sir, I have collected statistics at va but I am not in the trade at all.

Mr. TURNER. I want to know when the Bermuda potat New York?

Mr. NIMMO. I think early in the spring.

Mr. TURNER. Can not you fix the date?

Mr. NIMMO. I am not so familiar with the market, but along in the spring. I will tell you what it will do sometime Bermuda is a small place, once in a while there comes alon shiploads and that knocks the market for our potatoes. tion simply protects Long Island farmers when potatoes ar

Mr. TURNER. The Florida potato gets there a good dea potatoes. Do you want any protection against the Florid

Mr. NIMMO. No, sir; we live in a country in which we free traders between each other as you are. I believ expressed that opinion when he said, some years ago (I took it down), that this country was formed by a union o presented to the foreign nations an unbroken front.

Mr. GEAR. Is not land cheaper in Canada than on Long York?

Mr. NIMMO. Yes, sir.

Mr. GEAR. And labor, also?

Mr. NIMMO. Yes, sir; very much.

Mr. GEAR. It does not cost much more to send Canadian products to the New York markets than from Long Island?

Mr. NIMMO. No, sir; they have very cheap rates for carrying, and they defy the interstate-commerce law in regard to the long and short haul. They are getting cheaper rates in many points in Canada to the United States, and I was told not long ago by a Vermont man that hay over the line in Canada is delivered in New York and overcame the tariff of $4 a ton by violating the interstate-commerce act in respect to the long and short haul.

Mr. TARSNEY. A citizen in Buffalo and other places along the line who has to buy some hay gets some benefit?

Mr. NIMMO. A citizen who buys——

Mr. TARSNEY. A man who does not raise it, but buys it, gets some of the benefit of the reduction in price?

Mr. PAYNE. Does he or the Canadian farmer?

Mr. NIMMO. He does not suffer to the amount of the tariff. He gets his hay always at a fair rate, at which the American citizen engaged in making hay in the first place will produce.

Mr. TARSNEY. The product from Canada comes much cheaper?

Mr. NIMMO. Yes, sir.

Mr. TARNSEY. You think the higher the tariff the consumer gets more benefit?

Mr. NIMMO. Yes, sir.

Mr. TARSNEY. You think the more consumers there are than producers——

Mr. NIMMO. There you strike the root of tariffs which do not coalesce.

Mr. REED. Are there any more consumers than producers in New York?

Mr. TARSNEY. In agricultural products——

Mr. REED. We can not have all consumers on one side and separate those on the other side. That would be too large a ratio. We want all consumers and producers tested together. That seems to be a fallacious idea addressed to 65,000,000 consumers.

Mr. NIMMO. I think the proper way to quote that is not to count heads, but to see the amount of money which goes into the producers' hands, how it affects the producers as a whole, and how it affects the consumers as a whole. Not the number of people, because one farmer raises hay enough to supply 40 or 50 different men. We can not do it on that equation.

Mr. BRECKINRIDGE. You spoke of furnishing some figures in regard to difference in cost of labor, and also spoke of taking into consideration the difference in cost of capital. I presume that these figures that you will furnish us will be directed to the difference in the cost of production, from whatever cause that difference arises, in foreign countries and in this country?

Mr. NIMMO. Yes, sir.

Mr. BRECKINRIDGE. Will you make them bear upon that point?

Mr. NIMMO. Yes, sir; I will remember that. The statistics do not cover everything. They do not develop everything yet.

Mr. BRECKINRIDGE. I understand you are addressing yourself to demonstrate as far as you can the difference in the cost of products in this country and in competing countries?

Mr. NIMMO. Yes, sir; I will prepare a table showing that, illustrat-

ing the fact that the tariff on agricultural products does not exceed the difference in the cost of producing in foreign countries and here.

Mr. BRECKINRIDGE. You will furnish statistics bearing upon that?

Mr. NIMMO. Yes, sir. I do not think, from what I know—the Labor Bureau, though, would give as clear information as we would want.

Mr. PAYNE. Have you had any intercourse with the Canadian farmer personally?

Mr. NIMMO. I have been through Canada.

Mr. PAYNE. They have got the idea generally up there that they pay this custom-house duty themselves?

Mr. NIMMO. I think they have.

Mr. PAYNE. It is a pretty general, well-fixed idea there with the farmers that they have to pay it?

Mr. NIMMO. I think if the duty was taken all off their farmers and put on the American farmers there would be a pretty decided idea as to who pays the duty.

Mr. PAYNE. I agree with you. I think they would.

Mr. NIMMO. I think it would be a practical answer to that theoretical question as to who pays the duty.

FARM PRODUCTS.

(Schedule G.)

STATEMENT OF MR. J. EUGENE PARKER.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: Please allow me, as representing the farmers of Suffolk County, N. you not to change the existing duty on agricultural pro

Potatoes, turnips, cabbage, cauliflower, onions, poul and garden seeds are our principal crops and New York pal market.

Potatoes, I may say, is our chief money crop. On dry weather this year we have only half a crop and hav an average of about 70 cents per bushel. Last year ou was about 60 cents per bushel.

There were imported during the year ending June port of New York, 2,550,092 bushels, that sold at an a per barrel, as estimated by the dealers and commiss importation extended from December until June and if it would have stopped. Deducting the duty, about 68 c sack, the potatoes sold at 33 cents per bushel. If you ocean freight, sack 2 cents, freight and handling to por cents, you have 20 cents for the English, Scotch, or Ge

These importations occurred during the winter and and come in direct competition with our potatoes, that over in cellars at considerable expense, waste, etc.

The acreage in potatoes on Long Island has increas cent in the past two years.

We cannot raise potatoes in Suffolk County for les per bushel. We beg your honorable committee not to potatoes.

The acreage planted to ruta-baga turnips is not one twenty years ago, and we are being driven out of our ov

York City, by the foreign products. Thirty-six thousand barrels of Canadian turnips were sold in New York City during the winter and spring of 1892–'93 at an average of 65 cents per barrel. Three-quarters of the Long Island crop was allowed to rot in the fields, as it would cost us 20 cents per barrel freight, 7 cents cartage, 6 cents for sack, and 10 per cent commission—about 40 cents' expense, besides labor.

The freight from Galt, Hamilton, and other inland points in Canada is 7 cents per bushel to New York City.

A change of duty from 25 per cent ad valorem to a specific duty of 15 cents per bushel might keep this industry from being crushed out of existence.

Brussels sprouts, from France and Spain, about supply our market. The crop requires a large amount of labor. That is cheap in France and Spain. From several hundred acres planted in the two eastern towns of Suffolk County, eight years ago, less than 40 acres are planted this year.

The ad valorem duty of 25 per cent is not protective. A specific duty of 3 cents per pound might enable us to compete.

Cabbage is one of Long Island's main crops. The acreage was increased 30 per cent the past year in Suffolk County alone. The duty of 3 cents per head is not prohibitory. Only the larger heads of cabbage are sent over, weighing 12 to 18 pounds each, an average barrel of such cabbage paying a duty of 33 cents.

We pray you not to reduce the duty on cabbages.

Sauerkraut, a product of cabbage, is imported duty free. A duty of 1 cent per pound would enable it to be made in this country.

Cauliflower.—Prior to 1885 three-quarters of the entire product of the United States was grown in the two eastern towns of Suffolk County. The importation of cauliflower in salt or brine from Germany caused a reduction in acreage, until, in 1888, only 160,000 barrels of the fresh article was sent to the New York market, with no demand at the pickle houses for it to salt, except at 1 cent per pound, a price impossible to raise it for. The acreage has decreased until, in 1892, less than 92,000 barrels were sent to market. This year the acreage has increased 10 per cent, but the dry weather has cut the crops off one-half. To supply this deficiency it is to be imported from England.

[From Fruit Trade Journal, September 9, 1893.]

There is a movement on foot to ship cauliflower to this country from England where it is abundantly raised; the outlook here at present is unfavorable for a good crop. Long Island reports a short yield, owing to severe drought.

The duty on this product is not enough to protect it and is far from being prohibitory.

Onions are grown in considerable quantities. The average price for two years past about $2 per barrel. The duty of 40 cents per bushel does not shut out the foreigner and is no more protection than the crop needs, if to be grown at all in this country. The importation of onions from Spanish and other Mediterranean ports, especially Egypt, is assuming vast proportions.

Eggs.—The increase of price to the Long Island farmer the past two years has been from 2 to 3 cents per dozen on eggs, a fact noticed by them and fully appreciated.

Chickens (spring) have also increased 3 to 4 cents per pound, and farmers are increasing the number of fowls kept.

The duty should not be reduced on these articles.

Garden-seed growing is an important industry in Suffolk County.

But the raising of seeds by the farmers is confine
almost entirely to cabbage seed, for which we ha
as "Long Island grown seed." The acreage is in
For the growing of beet, carrot, onion, and otl
sible to contract with the agents of the seed hous
be profitable to the grower.
They say they can import at prices offered.
The farmers of Suffolk County, through their h
earnestly request that no reduction be made in t
ule, and that the duty on Brussels sprouts and
and that a specific duty be put on sauerkraut, as l
Very respectfully,

J. EUGENE PARKER.

SHELTER ISLAND, SUFFOLK COUNTY, N. Y.

Mr. BRYAN. What is your business?
Mr. PARKER. A farmer.
Mr. BRYAN. On Long Island?
Mr. PARKER. Yes, sir.
Mr. BRYAN. How much land do you farm?
Mr. PARKER. 400 acres.
Mr. BRYAN. And your association is that of the county?
Mr. PARKER. Yes, sir.

AGRICULTURAL PRODUCTS.

(Schedule G.)

TUESDAY, *Sep*

STATEMENT OF MR. A. H. GALLAHUE, CHAIRMAN OF THE WOI LEAGUE OF NEW YORK.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMIT
sent here from New York by two different organizat
9,200 workingmen, and they ask for a reduction or a
from Bermuda produce on the grounds that the seas
in advance of our own, and that the free importatio
would not compete with the American product but
middle class and the working people to purchase fresh
they need for their health, earlier than they can now
high prices, due to the duty on them, and the low ext
producers.

BERMUDA VEGETABLES.

(Schedule G.)

ASSOCIATED TRADES OF N
New York, Sep

The Associated Trades of New York City and the
form League of New York held a joint meeting on
September 15, at No. 804 Ninth avenue. Delegates w
senting 9,200 workingmen. The following resolutio
Resolved, That we demand that the duty on ve

the Bermuda Islands be removed or greatly reduced so that middle-class and working people may be able to purchase and use the fresh vegetables which are necessary for their health in the early spring-time. These products do not enter into competition with the products of our country, for the Bermuda crop arrives two months before ours is ready for use.

Resolved, That A. H. Gallahue, chairman of the Workingmen's Reform League, be empowered to proceed to Washington and present these resolutions to the Ways and Means Committee of the House of Representatives and demand that some action be taken on them.

Respectfully,

JAMES A. FOX,
Secretary.

AGRICULTURAL PRODUCTS AND PROVISIONS.

(Schedule G.)

STATEMENT SUBMITTED BY ITALIAN CHAMBER OF COMMERCE OF NEW YORK.

LEMONS.

Little or no duty at all should be levied on this fruit. A very small portion, possibly not over one-fortieth part of the entire consumption is raised in this country, and that only reaches its maturity at a time when the imports from Italy are nearly at an end. Any duty on this fruit has no other effect but the one of raising the revenue at the expense and detriment of the people at large.

ORANGES.

The very large and constantly increasing home production of this very wholesome fruit, which, on the American market, generally brings a higher price than the one of foreign origin, together with the fact that all boxes wherein the fruit is imported are made of American wood, ought to be ample and abundant reasons to place it on the free list.

OLIVE OIL.

The duty now existing on this healthy and very necessary product seems to us rather unreasonable. Pure olive oil, aside from being a wholesome food, is one of the ingredients most needed in the preparation of reliable medicines. Olive oil, such as comes from Italy, is not as yet produced in this conntry, nor does there seem to be, at present, very much probability of its being done in the very near future. In our judgment the day is still very far off when olive oil of American make can be brought on the market to compete with the one of Italian production; there is, therefore, no plausible reasons why the poor classes of the present generation should be deprived of the benefit of pure and cheap olive oil. As a natural consequence of the imposition of duty, both on the oil and on the bottles (wherein quite a large proportion of it is imported to this country), adulteration on a rather extensive scale has of late become, in the leading centers of the Union, a rather common and increasing practice; and what is still more lament-

able, is the fact that cheap olive oil, intended only for mechanical and manufacturing purposes, by entering these ports free of duty, as the present tariff provides, finds its way to the abodes of the poor as a substitute for pure and refined olive oil. We are, therefore, of the opinion that the placing of this salubrious product on the free list will offer a very material benefit to the consumer, and at the same time put an end to all kinds of adulterations.

MACARONI.

Nearly all the manufacturers of this article in this country are Italians, and the most notable fact which we very much desire to emphasize is that the largest portion of them started in that kind of industry at a time when the article of foreign make was still exempt from duty. These domestic manufacturers assert that in the production of their goods they have to pay much higher wages than the manufacturers in Italy, and consequently the existing duty of 2 cents per pound on the article of foreign make is the only protection that they have, but in their assertions they loose sight of the fact that the smaller price which they have to pay for their flour here in this country, together with the much more improved systems of machinery of which they make use in their manufacturing establishments, more than balances the difference in the price of labor existing between the two countries. And, furthermore, if the American manufacturers can continually export their macaroni to Central and South America and to other countries, and there meet in a successful and profitable manner the competition of the Italian article it is self-evident that every cent of duty imposed upon each pound of macaroni coming from abroad means right on the face of it so many more cents of profit on each pound of American production.

WINES.

In the judgment of our leading importing houses, and in our own as well, all foreign still wines, light ones especially, ought to be relieved of a part at least of the duty now in vigor. It is quite amusing to listen to the arguments of the protectionists that refer to the competition of California wines with foreign clarets, especially when such arguments are relating to the Zinfandel brand, one of the nearest approaches to the foreign table clarets that California has got, and which sells on the various American markets for less than existing duty on the article of foreign production. So long as such a state of things will be in existence, but little, if any, incentive will be offered to the home grower in the way of stimulation for the improvement of his own product. It would be very much more advantageous for him, and of far more benefit to the mass of the consumers (which by the way is slowly, but steadily, and constantly increasing) if the tariff on pure light foreign wines was so adjusted as to protect, first, the home industry to such a margin as would call for a constant and intelligent improvement on the standard of the quality made in this country; and, secondly, to do away with the promiscuous adulteration that is daily assuming larger proportions.

CHEESE.

The raising of the duty on this article from 4 to 6 cents per pound at the time when the McKinley bill was made a law was intended to stimulate and develop home production; in fact, during the last few years

any quantity of cheese dairies have sprouted up all over the country, and all sorts of imitations have been attempted, but as far as we know all such attempts have proved to be of little or no consequence. It is true that now and then some of these imitations find their way to the stores of a few bona fide buyers, but it is also a fact, acknowledged by all those who know anything about cheese production, that so long as the animal that furnishes the material to produce it grows in a country of a certain climate and feeds the pasture of a certain soil all attempts to reach a "perfect imitation" will be not only a hazardous task, but a perfectly useless undertaking. In consequence of which indisputable facts, we have good reason to hope that the wise judgment of the ruling administration will levy on this constantly growing production such a duty as will correspond to the interests and to the expectations of the consumers.

SALT, HEMP, AND BORAX.

As raw materials these articles will no doubt be placed on the free list.

BORACIC ACID, TARTARIC ACID, AND SULPHUR.

Taking into consideration the difference in the price of labor existing between the United States and other countries, the present duty is entirely out of proportion.

WALNUTS, CHESTNUTS, FILBERTS, AND ALMONDS.

As the home production of these fruits is of but little consequence, any duty at all on them only serves to enhance their cost and to injure the pockets of the consumers.

ANCHOVIES.

The importation of this product is so limited, its revenue to the Government so insignificant, and present duty of so little benefit to any one special interest, that if it was for no other reason but for the mere sake of increasing the home production of various kinds of sausages now made abroad, in the manufacture of which the "anchovie" is one of the leading seasoning ingredients, the article ought to be placed on the free list.

FINE ARTS.

This commercial body does not consider it necessary to advance any arguments on the subject of taxation upon these articles, for the simple reason that the expectation of the public is that this coming Fifty-third Congress will undoubtedly place them on the free list.

MONDAY, *September 4, 1893.*

STATEMENT OF SAMUEL A. MASTERS.

BERMUDA VEGETABLES.

(Schedule G.)

Mr. CHAIRMAN: I do not know that I can take up less time in any way than by reading you a brief synopsis of what we want to lay before your committee for your favorable consideration:

WASHINGTON, D. C., *July 25, 1893.*

SIRS: We, the undersigned delegates, appointed by the house of assembly of Bermuda to approach the Government of the United States of America on the subject of the duty paid for the past three years on the products of Bermuda when imported into the United States, beg most respectfully to submit the following for your patient and serious consideration:

The statistics of the trade of Bermuda hereto appended show that the imports from the United States for the year 1892 (which can with safety be taken as an average year) exceeded the sum total of the imports from all other countries by more than 50 per centum, while of the exports 94 per centum was shipped to the United States; and notwithstanding such a large part of the exports was shipped to the United States, still the value of the imports from the United States exceeded the value of the exports to that country by nearly half a million dollars. Again, the duty paid for the same period on the products of Bermuda under the McKinley tariff amounted to a sum equal to $10 per head of the whole population of Bermuda and exceeded the sum derived by Bermuda from its entire tariff by more than $15,000. It will also be seen that of the imports from the United States 78 per centum is now, and has been for many years past, admitted at a duty of 5 per centum ad valorem, while of the remaining 22 per centum coal, ice, and all fresh fruits and fresh vegetables, potatoes excepted (which are included in the above 78 per centum), are admitted free, the goods which pay specific duties being cattle, cigars, cigarettes, tobacco, snuff, and spirits.

In view of all these facts, and in consideration also of the fact that the products of Bermuda, viz, potatoes, onions, and other vegetables, on which a reduction of duty is sought, are very nearly all (in the year 1892 more than 96 per centum of the whole) imported into the United States between the 1st day of April and the 15th day of June, a period of the year when the products of the United States of the like kind are not in the market—we beg most respectfully to ask on behalf of the house of assembly and the people of Bermuda, that, if practicable, the products of those islands be admitted into the ports of the United States on the same favorable terms, with respect to duty, as similar products are admitted into Bermuda; but, if that be thought impracticable, then, that the duty on such products when imported into the United States may at the most not exceed what it was before the McKinley tariff came into operation.

All of which is respectfully submitted.

THOS. J. WADSON, M. C. P.,
SAML. A. MASTERS, M. C. P.,
Delegates.

STATISTICS.

Imports, 1892.		*Exports, 1892.*	
United States	$973,757	United States	$522,178
Great Britain	422,669	Great Britain	11,870
British colonies	172,440	British colonies	12,576
All other countries	11,692	All other countries	7,560
	1,580,558	Total	554,184

Value of goods imported in 1892 from the United States which paid a duty of 5 per centum ad valorem	$768,889
Value of goods imported in 1892 from the United States which were either free or which paid specific duties	204,868
	973,757
Value of goods exported to the United States in 1892	522,178
In favor of the United States and against Bermuda	451,579
Amount of duty paid the United States in 1892 under the McKinley tariff	150,891
Amount of duty derived by Bermuda from its entire tariff in 1892	135,662
Duty paid the United States exceeded amount collected by Bermuda under its entire tariff by	15,229

Mr. MASTERS (continuing). You see from the reading of this paper that all of our business is with the United States, and we hope that you will be able in your consideration of the question to take favorable action upon our petition. These figures may look small to you, as we are only a little island containing 15,000 people.

It is usual to confound us with the West Indies. New York and Charleston are our nearest points, and it is wrong to confound us with the West Indies.

Mr. DALZELL. Have you the figures showing how much revenue you derive from the United States?

Mr. MASTERS. Yes, sir. It is more than the revenue from our own island.

Mr. HOPKINS. You have stated in your paper that it amounts practically to a tax of $10 per capita.

Mr. MASTERS. Yes, sir. There are 15,000, and we paid over $150,000.

Mr. DALZELL. Five per cent is the duty United States products pay in entering your ports?

Mr. MASTERS. Yes, sir.

Mr. DALZELL. Have you the figures showing how much we derive from Bermuda products?

Mr. MASTERS. Yes, sir; and you will see that it exceeded our own revenue by the sum of $15,229.

Mr. HOPKINS. That is the revenue upon these articles upon which you want the import duty taken off?

Mr. MASTERS. Yes, sir.

Mr. BRYAN. You have given the value of goods imported into the United States in 1892 which were free and which paid specific duties. What proportion comes in free and what proportion does not?

Mr. MASTERS. I can not answer that exactly. Coal comes in free and also fresh vegetables. Potatoes pay 5 per cent, and everything else comes in free. The strongest liquors pay 5 shillings, or $1.20, imperial duty; wines, 20 per cent ad valorem; tobacco, 12 cents a pound; cigars and cigarettes are 26 cents a pound, the tax added.

Mr. BRYAN. What is the rate on cattle?

Mr. MASTERS. Four shillings, or 96 cents.

Mr. HOPKINS. Your conviction is that the import duty on these articles is taken out of your people in the amount you have to pay to the United States?

Mr. MASTERS. Yes, sir; there is no doubt in the world of that. Of the crops we raise the more we import the more business we have with the United States.

Mr. DALZELL. This is a case where the foreigner pays the tax?

Mr. MASTERS. Yes, sir.

Mr. HOPKINS. Then it is not the consumer in America who pays the tax?

Mr. MASTERS. No, sir.

Mr. GEAR. Have you a classification of your exportations?

Mr. MASTERS. No, sir; but we can furnish you the information.

Mr. BURROWS. What is your desire in appearing before the committee?

Mr. MASTERS. We want a reduetion of duty.

Mr. BURROWS. On what?

Mr. MASTERS. On all vegetables.

Mr. BURROWS. On potatoes, onions, and what else?

Mr. MASTERS. On everything. Why make two bites of a cherry?

Mr. BURROWS. Do you want the duty off lettuce?

Mr. MASTERS. Yes, sir; and we would probable also ask to have it taken off tomatoes and cucumbers.

Mr. BURROWS. You want a reduction of duties on all vegetables?

Mr. MASTERS. Yes, sir; but particularly on those I have mentioned.

Mr. BURROWS. How much?

Mr. MASTERS. We will leave that to your liberality.

Mr. BURROWS. What is your judgment about it?

Mr. MASTERS. I would like for you not to charge us any more than we charge you.

Mr. HOPKINS. Are not most of the articles free, or is there an ad valorem duty of 5 per cent on some?

Mr. MASTERS. There is a duty on everything except these articles—everything that we live on and every kind of instrument and implement we use. Nearly everything we use comes from the United States, and our business is entirely with the United States.

Mr. BRYAN. What is the area of your island susceptible of cultivation?

Mr. MASTERS. We have 2,422 acres of arable land.

Mr. BRYAN. What is the population of the islands?

Mr. MASTERS. Fifteen thousand.

Mr. BRYAN. What do you export to this country besides vegetables?

Mr. MASTERS. Nothing else.

Mr. BRYAN. Do you know what the price of vegetables was in this country after the passage of the McKinley bill?

Mr. MASTERS. Prices varied from 50 cents to $2 for a box of onions. Prices go up and down.

Mr. BRYAN. How can you tell, without knowing the price before the McKinley law was enacted, whether the consumer pays the tariff?

Mr. MASTERS. Well, I was treasurer of the Farmers' Alliance, and I know that during the latter part of the present season the shipment of some 10,000 boxes of onions to New York paid 38 cents a box, and the freight was 16 cents. They sold for about 60 cents. There was clearly a loss, and they brought us in debt. If we did not pay the duty, who *did*?

Mr. BRYAN. Do you usually do that?

Mr. MASTERS. I hope not; but we have to do it on some things nearly every year.

Mr. BRYAN. Did you not have losses before the enactment of the McKinley bill?

Mr. MASTERS. Yes, sir; but not such heavy losses. Imagine the tariff of 38 cents, the freight 16, and the article selling for about that sum.

Mr. BRYAN. Is it not true that in the case of perishable articles those losses are incident to the trade?

Mr. MASTERS. Yes, sir; but still we do not want to pay such a tax as has a tendency to drive our trade out of existence. There is no doubt in the world that when these articles come here they must be sold. We put coal and ice on our free list, because we feel that coal protects our firewood, and we look upon ice as a sanitary article during the summer and as conducive to the health of our people. Our idea is that you gentlemen would much prefer to have our fresh vegetables on your tables when your ground is covered with ice and snow.

Mr. BRYAN. You get a better price when you get them in early.

Mr. MASTERS. Of course.

Mr. BRYAN. And finally, when the goods come in from our market, yours cease to sell entirely?

Mr. MASTERS. Yes, sir.

Mr. DALZELL. Your season is then over?

Mr. MASTERS. Yes, sir.

Mr. GEAR. How much earlier are you than Florida?

Mr. MASTERS. Two months. Some of the strongest advocates of this measure, who live in New York, own large truck farms in Virginia, in the Carolinas, and in Florida. They say that it does not interfere with them at all, but enables them to open a market for their products and to get a higher price. It is of great advantage to them. You must not think when we urge this that it will be an injury to the Southern farmers.

Mr. GEAR. What is the latitude of Bermuda?

Mr. MASTERS. Thirty-two degrees—the same as Charleston.

Mr. BRYAN. How far is it from Charleston?

Mr. MASTERS. Six hundred and fifty miles.

Mr. BRYAN. And how far from New York?

Mr. MASTERS. About the same.

Mr. GEAR. What time do you begin to market your crop?

Mr. MASTERS. Early potatoes come in in February.

Mr. GEAR. When do your onions come?

Mr. MASTERS. About the 1st of March.

Mr. GEAR. How much earlier is that than the Florida crop?

Mr. MASTERS. Two months.

Mr. STEVENS. How late is it when you get off all your crop?

Mr. MASTERS. The 1st of June.

Mr. STEVENS. After that I suppose you take your crop elsewhere?

Mr. MASTERS. After that we go to the West Indies. Our first exportations are to the United States, and after your crops come we are driven out of the market.

Mr. TURNER. You raise nothing but potatoes and onions that we can buy?

Mr. MASTERS. That is all.

Mr. BRYAN. What is land worth in Bermuda?

Mr. MASTERS. We can not buy a great deal. Our Government has

not been as liberal as yours in encouraging immigration. There is very little land on the market, and it is worth from $50 to $500 per acre. Arable land is worth $500 per acre, and sometimes more.

Mr. BRYAN. Is there any waste land there which can be brought into cultivation?

Mr. MASTERS. There is only a small amount of such land.

Mr. BURROWS. I understand you to say that under the present rate of duty you can not make anything.

Mr. MASTERS. Yes, sir; we do more and more trade with the United States with a reduction of duty.

Mr. HOPKINS. It would be more profitable.

Mr. MASTERS. Yes, sir; we can not raise onions for less than $1 a box.

Mr. GEAR. How much more trade would you expect?

Mr. MASTERS. Our trade would almost double. I think I could safely say that it would increase 50 per cent.

Mr. GEAR. Would you double your producing area?

Mr. MASTERS. No, sir; we could not do that to save our lives. We could not double our producing area if we got a thousand dollars an acre in produce.

Mr. GEAR. Then how can you increase your trade?

Mr. MASTERS. By cultivating more scientifically, using more manure, and tilling more expensively. We might probably increase the area 25 per cent, but I doubt if we could do more.

Mr. BRYAN. Do you know what the average price of onions was per box in 1889?

Mr. MASTERS. In New York it was about $2.50 or $3.

Mr. BRYAN. How much in Bermuda?

Mr. MASTERS. They would sell for $1.50 or $2 a box.

Mr. BRYAN. In April what would be the average price?

Mr. MASTERS. The decline in price is very rapid from the time the crop commences to mature in this country. However, I would like to turn this matter over to Mr. Wadson, who understands it better than I do.

BERMUDA VEGETABLES.

(Schedule G.)

STATEMENT OF MR. THOMAS J. WADSON.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: In my younger days I was regarded as bashful, and I have not overcome it very much. Were the subject not so important, I would not have the courage to address this committee. I would like to begin by expressing the thanks of myself and colleagues for the honor of addressing you, and to say that we have been treated by all with whom we have come in contact in this matter with the utmost courtesy and cordiality, for all of which we desire to express our best thanks.

I would like to remove, it I can do so, what is a very common error, and that is the idea that Bermuda is a part of the West Indies, which she is not, either geographically or politically. My colleague has stated that it is distant from the Carolinas about 650 miles, and distant from New York City about the same, or a little more. The nearest of the West *India* Islands is, I believe, that of St. Thomas, which is something more

than 800 miles distant, so that we can not be said to be geographically any part of the West Indies, nor are we so politically.

We enjoy a constitution which is somewhere about 200 years old, and which is a copy in miniature of the constitution of England. England has a queen as well as commons, while we have a governor, a council, and an assembly, the latter being an elective body, of which my colleague and myself, as well as our friend who accompanies us, are members, and we have been, with the privilege of the British Crown, appointed as delegates to this nation, with the hope of obtaining some thing in the way of relief from these duties.

I would like also to explain another matter which may be misunderstood If gentlemen will refer to a matter of this printed statement which I have here, and which is before you, they will find in the third line, second paragraph, the words, "all other countries"—and the same expression occurs in the statistics. I will say that those words in the statement include not only all other countries mentioned in the statistics, but also Great Britain and the British Colonies; that is to say, that the imports from every part of the world other than the United States in 1892 amounted to $606,801, while the imports from the United States for the same period amounted to $973,757. In other words, for every dollar's worth of goods which Burmuda bought in that year (which is taken as an average), from all the world besides the United States, she bought from the United States $1.60 worth.

I feel that I should urge this point with all the force of which I am capable, because, although we do not call it the main plank in our platform, yet we call it the chief point in our argument, and therefore I will repeat that while Bermuda bought in that year (and I might say contributed) the amount stated, for every one dollar's worth of goods from all the world besides, she bought from the United States $1.60 worth of goods. So we say in this paragraph, in the early part of our statement, that the imports from the United States for 1892 exceed the sum total from all other countries by more than 50 per cent, fully 60 per cent.

With regard to this question of tax, which you call the duty paid to the United States in 1892, which was referred to in the evidence, were $150,000, and was, as we have shown in our statement, a per capita tax of $10 for every man, woman, and child on the island. It was also a rate of $62.30 per acre on every acre of land in cultivation. This system is a very serious burden, not only per capita, but per acre, a very serious burden indeed; and therefore it is that we are here to-day to ask you to take this matter into consideration favorably, because of our being such large consumers of American products.

With regard to the party who pays the duty, that is an important point. I thought from some of the questions put by you gentlemen, that it was held here that the consumer pays the duty. I am very well aware that it is generally held that the consumer pays the duty on all imports, but that is not true in regard to the products of Bermuda. They are shipped in the main to the port of New York, and because of their perishable nature they must be sold immediately upon arrival, because if potatoes are held they will rot or change color, and thus lose their value. The same applies to onions, which will not stand being held, because they also will get dark in color, and sometimes begin to sprout.

The farmer who disposes of his products on his own account is compelled to take the price the market will afford. If the market only affords $2 a box, that is all he will realize. Out of that he has to pay

more or less, frequently more. He must pay the freight and the duty, which is 38 cents a box, really 40 cents a bushel—I say that for the reason that a box does not contain a bushel, and the duty is ascertained by weight. Therefore I hold that the duty comes out of the grower and not out of the consumer. It makes no difference what the duty is, large or small, it must be taken out of what the market will afford.

Perhaps I might be told that there are dealers in the city of New York who purchase in Bermuda for shipment to New York on their own account, and when they do that they have to add the duty and other charges to the price, and, therefore, it is said the consumer pays the duty. I will remove that impression, if I can, by explaining that the man in New York when he sends an order to his agent in Bermuda has to pay in advance of the arrival of the goods, and he will take the freight and other charges incident to the buying, and cost of selling, and will instruct his agent to pay what the difference might be. If he expects to get $6, he will be willing to pay 17*s.* in Bermuda, and therefore I hold that in that case the duty comes out of the farmer's pocket, just the same as if I put my hand into my pocket and take out an amount of money I want to dispose of.

The same thing applies in regard to onions. If he expects to get $1.50 a box, he will deduct the duty, 38 cents a box, freight and other charges, and instruct his agent to pay probably 3 shillings a box, and he will sell in the market for $1.50, probably.

I want to urge the fact of our being such good customers of the United States, and the fact of our buying and paying for the past 3 years such heavy duties, as the reason why we think we are at least entitled to your favorable consideration.

If the McKinley tariff bill had not been in operation the duty on our potatoes and onions in 1892 would have been in round figures $33,000, while under that law the tariff was $150,000 and more. That difference is $117,000; and for the three years during which the McKinley tariff bill has been in operation Bermuda has contributed to the United States $350,000, being $144 per acre for the land under cultivation.

Mr. HOPKINS. There has been taken from the inhabitants of Bermuda that amount of money paid into the United States Treasury.

Mr. WADSON. Yes, sir.

Mr. DALZELL. And yet onions and potatoes did not cost our people any more?

Mr. WADSON. That depends upon the state of the market.

Mr. HOPKINS. And not on import duties?

Mr. WADSON. If those articles had been free your people might not have gotten them any cheaper.

Mr. BRYAN. You say that if there had been no duty we would not have gotten them any cheaper.

Mr. WADSON. I think not.

Mr. BRYAN. Then what benefit can that be to this country?

Mr. WADSON. I am scarcely arguing for that point. I am arguing for the Bermuda.

Mr. TURNER. Are you familiar with this trade between the United States and other islands on these articles?

Mr. WADSON. I do not think there is any trade between the United States and other islands. There is some trade with Cuba in onions, and some with Canada in potatoes.

Mr. TURNER. I see in this statement that you represent the trade in these commodities as occuring between the 1st of April and the 15th *of June.*

Mr. WADSON. Yes, sir; that is about the time of the occurrence of the trade.

Mr. TURNER. Are you not aware of the fact that Florida produces and gets to market in that time?

Mr. WADSON. Only to a very small extent, and not at all in onions.

Mr. TURNER. Are not potatoes from Florida in market during that time?

Mr. WADSON. Not to my knowledge.

Mr. TURNER. Florida is projected far down across the tropics.

Mr. WADSON. Yes; but she has frost, which we never have.

Mr. TURNER. Doubtless, in your position, you have an earlier climate; but in Florida potatoes are produced and put on the market in April.

Mr. WADSON. We in Bermuda are forced out of the market as soon as your product appears, because it at once has an effect upon prices.

Mr. TURNER. Were you ever in New York at a time when your produce got there?

Mr. WADSON. No, sir.

Mr. TURNER. I think that at that time competition from Florida has something to do with regulating prices.

Mr. WADSON. It would be according to the quantity we sent.

Mr. TURNER. Did I understand you to express it as your opinion that the tariff is a tax upon the producer in Bermuda, and that the American consumer pays none of it.

Mr. WADSON. I say that tax comes straight out of the pockets of the Bermuda farmers.

Mr. TURNER. Did you ever know of any experimental tests ot that?

Mr. WADSON. The freight and duty is taken out at New York. The New York merchant fixes the value of the stuff in Bermuda, and he deducts duty and other charges.

Mr. TURNER. Could not the New York dealer sell these articles cheaper if duties were removed?

Mr. WADSON. No, sir; I do not think he would.

Mr. TURNER. Is not the price regulated in Bermuda?

Mr. WADSON. No, sir; the price is regulated in New York.

Mr. TURNER. Without regard to Bermuda?

Mr. WADSON. There is no competition in Bermuda.

Mr. TURNER. What is it that affects the price over and above the duty?

Mr. WADSON. The other charges. Duty and freight have to be deducted as well as the cost of buying in Bermuda and handling in New York.

Mr. HOPKINS. Do you think that if there were no import duties on these articles, the New York purchaser would give you more for them?

Mr. WADSON. Yes, sir; as the duty is one of the items taken out.

Mr. BRYAN. Then you go upon the theory that where you export the country to which you export pays the duty?

Mr. WADSON. Yes, sir.

Mr. BRYAN. And when we export to you, who pays the duty?

Mr. WADSON. We pay it ourselves.

Mr. BRYAN. Then you pay both ways?

Mr. WADSON. Yes, sir.

Mr. BRYAN. You are in hard luck.

Mr. TURNER. How does the question of perishability affect you?

Mr. WADSON. The goods must be sold immediately upon arrival.

The CHAIRMAN. Like any other farmer, you send your goods to market and must take whatever price you can get?

Mr. WADSON. Yes, sir.
Mr. TURNER. Does the element of perishability affect prices?
Mr. WADSON. It does.
Mr. TURNER. How does the tariff and perishability go together?
Mr. WADSON. For the simple reason that the goods must be sold at once.
Mr. TURNER. What you can not hold must be sold.
Mr. WADSON. Yes, sir.
Mr. TURNER. In reference to the question asked you by the gentleman from Nebraska, does not the American market send articles to you and pay the duty and Government charges on the arrival of the goods?
Mr. WADSON. No, sir; because goods shipped from America are bought or ordered, and we must pay the cost. The dealer in Bermuda pays to the Government the duty in Bermuda, as well as the other charges, and then puts on in addition what he can get for his profit.
Mr. PAYNE. The articles you get from America you do not produce in Bermuda?
Mr. WADSON. No, sir.
The CHAIRMAN. There is no home competition to make the price increase?
Mr. WADSON. No, sir; it depends entirely upon the cost of production.
The CHAIRMAN. Can you tell us how many bushels of potatoes you sent to the United States in 1892?
Mr. WADSON. About 25,000 barrels, containing about 2 bushels and 3 pecks each.
The CHAIRMAN. Have you any idea what is the home crop of potatoes in this country?
Mr. WADSON. No, sir; I have not; but it is very large.
The CHAIRMAN. Our home crop of potatoes is over 200,000,000 bushels a year, while yours is only about 75,000 bushels a year. That importation would not affect the market price here?
Mr. WADSON. No, sir.
The CHAIRMAN. How much onions do you produce?
Mr. WADSON. We produced in 1892 350,000 boxes, with not quite a bushel in each box.
The CHAIRMAN. That would be, say, 300,000 bushels; so that you sent us altogether (without meaning to refer to the smallness of your importations) not much more than some of our truck farmers in this country would produce?
Mr. WADSON. That is right.
The CHAIRMAN. You have 2,422 acres of land in cultivation in Bermuda, and the price of that land is from $50 to $500 an acre, provided that it is good-producing, tillable land?
Mr. WADSON. Yes, sir.
The CHAIRMAN. Has there been any decrease in the value of land in recent years?
Mr. WADSON. I can not say. There has been a great want of desirable buyers.
The CHAIRMAN. Land brings about the same price as before?
Mr. WADSON. There does not seem to be the same sale for it as before.
The CHAIRMAN. You gentlemen think that the Bermuda farmer has paid this $150,000 duty on the products sent to the United States in 1892?
Mr. WADSON. Yes, sir.

The CHAIRMAN. Previous to the enactment of the McKinley bill, the same quantity of imported products would have paid a duty of $33,000?

Mr. WADSON. Yes, sir.

The CHAIRMAN. That would be a tax of about $13 per acre upon your land, and the present rates, according to your estimates, would make a tax of $62.30 per acre?

Mr. WADSON. Yes, sir.

The CHAIRMAN. Do you think it reasonable that if your tax had been increased from $13 per acre to $62 per acre that your land would maintain that salable value?

Mr. WADSON. This land, as I said before, is not now sought after as it was at that time; but it is held at about the same price in hope of getting relief from this duty. If, however, it should happen that by reason of any peculiar circumstances any of that land should be sold, the result is very apparent, because, as I have already said, there is not the same demand for the land as there was, not by any means. While the land may be held at the same price, there is not the same opportunity to sell, and therefore I might say that during that time land has decreased, though not nominally.

Mr. PAYNE. There are no sales?

Mr. WADSON. No, sir; because the land is being held in the hope of our getting some relief.

Mr. PAYNE. Has the market value stiffened up any since the result of the last election in November last?

Mr. WADSON. I do not follow that.

Mr. GEAR. What tariff do you levy on yourselves?

Mr. WADSON. Our tariff is a tax for revenue only.

Mr. GEAR. You do not levy a tariff on coal or iron?

Mr. WATSON. No, sir.

Mr. GEAR. The reason is that you do not produce them.

Mr. WADSON. We do not.

Mr. GEAR. You levy a tariff on things you do produce?

Mr. WADSON. Yes, sir; such as breadstuffs, and provisions on which there is 5 per cent tariff.

Mr. GEAR. On nothing else?

Mr. WADSON. On provisions and the goods which are named in this statement.

Mr. TURNER. Do you send any vegetables to the old country?

Mr. WADSON. We have done so.

Mr. TURNER. Do you not ship to France or other European countries?

Mr. WADSON. No, sir; we have made shipments to London, but the result has not been such as to encourage shipments.

The CHAIRMAN. How do you settle this balance of trade between Bermuda and the United States?

Mr. WADSON. The British Government has sent large sums of money there for the purpose of keeping up fortifications and holding the garrison there, and of course some of our people live on means which are invested abroad, and there are visitors from abroad who spend some money with us. This makes up our balance of trade.

Mr. TURNER. When potatoes are $6 in New York what are they worth in Bermuda, as between your citizens?

Mr. WADSON. If they are worth $6 in New York they would be worth about $4.80 with us.

Mr. TURNER. Do you say that the tariff has the effect to lower the price of potatoes to your own citizens?

Mr. WADSON. No, sir; we do not consume our own stock at all. We ship it to New York.

Mr. HOPKINS. You spoke about the price of land not falling and being held at present because you hope for relief from the political changes in this country by reason of which the duties would be removed.

Mr. WADSON. We hoped not so much on account of the changes of political parties in this country, but we thought that we would come before whatever party was in power and we would be heard and get a revision.

Mr. HOPKINS. You spoke in the early part of your remarks about making this application and receiving the permission of the British Government. In order to make this application for the removal of these duties, did your little government down there in Bermuda have to make application to the British Government?

Mr. WADSON. We are under the Government of England; and while, as I have already stated, we have our own local government, which levies our taxes, collects our revenue, and spends our money, yet we are, of course, under the Government of England, and we are not at liberty to enact any legislation which might be at all opposed to the interests of the Empire, or do anything which the British Government might construe as opposed to it. Therefore, when we intend to enter into a conference with any nation we must first consult the British crown. In this way, we have been dispatched to this nation as delegates for the purpose I have stated.

Mr. GEAR. Your legislation is subject to the Queen in council?

Mr. WADSON. Yes, sir; I might say there never has been any interference on the part of England unless we trespass upon the rights of the Crown.

Mr. HOPKINS. You represented to the Crown that the duties under the McKinley bill were burdensome to your people, and you asked permission to make this representation to the American Government, hoping that the duties would be removed, thereby giving you relief; and the British Government graciously granted you that authority?

Mr. WADSON. Yes, sir.

Mr. HOPKINS. You sold as much while that bill was in effect, but you did not make as much money?

Mr. WADSON. No, sir.

Mr. DALZELL. The McKinley bill will not keep out onions or potatoes from this country?

Mr. WADSON. I am afraid that we will have to send them to you.

Mr. TURNER. How does it affect the purchase of American goods?

Mr. WADSON. We buy fewer goods. The smaller the balance of trade that is left to our farmers the smaller will be their purchases.

Mr. HOPKINS. Do your statistics show the amount of goods sent to us since the McKinley bill has been in force?

Mr. BURROWS. Give them for 1892, as compared with 1890?

Mr. WADSON. There is not much difference; they are about the same. In Bermuda everybody lives in hope.

Mr. BRYAN. Can you give us the average price of these products which you exported from Bermuda before and since the passage of the McKinley bill?

Mr. WADSON. I can not give it to you now. Although prices in New York may be less than before the passage of the McKinley bill, yet it has resulted in a smaller demand, and it is not the result of a smaller duty, because, as I have claimed, the farmers of Bermuda pay this.

Mr. BRYAN. And if the facts are in contravention of that theory, so much the worse for the facts?

Mr. WADSON. I do not think that will be so found. I try to look at the facts in a truthful way.

Mr. BRYAN. Can you form any idea as to who pays the duty, unless you knew the prices received before and after the passage of the McKinley bill?

Mr. WADSON. I think we can by the reasons I have given. It does not depend upon the cost of production. We have to take what we can get for our products.

Mr. BRYAN. If the tariff is added to the price the consumer pays, and that price is higher, does not the farmer receive the same amount as before?

Mr. WADSON. The price paid depends upon the duty and the other charges. The duty is first deducted. I do not believe we sell for less. The duty makes the difference. It is because of supply and demand.

Mr. TURNER. If your position be true, that your goods would sell for just the same in this country whether the goods were dutiable or not, then that duty can be of no benefit to the man raising like articles in this country?

Mr. WADSON. No, sir.

Mr. TURNER. The principle that the exporter pays the duty on perishable goods only applies to perishable goods?

Mr. WADSON. I am not called upon to answer as to the goods after they are received here; I am talking about Bermuda alone.

Mr. DALZELL. I do not understand that the gentlemen is advancing any facts; it is a condition and not a theory.

Mr. BRYAN. In the case of our exports, you say your people there pay the duty on them because they are of a perishable nature?

Mr. WADSON. The importer pays the duty and other charges. The dealer estimates what he will be able to sell them for, and he gets the profits out of the consumer if he can. Therefore, I say the consumer pays the duty.

Mr. BRYAN. So that the principle laid down by you is that the importer pays the duty only applies to perishable goods, and the larger the exportation the more he contributes to the foreign government to which he exports?

Mr. WADSON. There is no doubt of it.

Mr. BRYAN. So that the more he exports the poorer he gets?

Mr. WADSON. Not necessarily.

Mr. BRYAN. You say the price of your land has not fallen, but there is a dullness in real estate?

Mr. WADSON. Yes, sir.

Mr. BRYAN. Have you had any financial depression there?

Mr. WADSON. There has been a financial depression. The people always feel the want of money——

Mr. BRYAN. When they do not have it.

Mr. WADSON. During the past two or three years the want of money has been more severely felt in other ways, because of this onerous taxation which takes our money.

Mr. BRYAN. Then you have had no financial depression except that which is due to this cause?

Mr. WADSON. Our country is so small that it is of course not possible for you, gentlemen of the committee, to bring your ideas down to the scope of a population of 15,000. Everything is on such a small scale,

and there is such a striking contrast between your situation and ours, that it is reasonable.

Mr. BRYAN. You do not know whether there has been any more financial depression in your country than in other countries?

Mr. MASTERS. There could not be. We have been down to bed rock all the time.

Mr. GEAR. You have no manufacturing industries of any kind in Bermuda?

Mr. WADSON. No, sir.

Mr. GEAR. Do you import from the United States what you must have in the way of merchandise?

Mr. MASTERS. They only ship from this country what we order, and what we buy we are able to pay for.

Mr. GEAR. You are absolutely dependent upon other countries?

Mr. WADSON. Yes, sir.

Mr. TURNER. Can we not buy more potatoes from you if this duty be taken off?

Mr. WADSON. I hope so.

Mr. TURNER. Because prices would go down to the American consumer?

Mr. WADSON. Well, no; but it would be because we would be better able to buy.

Mr. TURNER. You have steam communication with London?

Mr. WADSON. We have; but it is not with any great regularity.

Mr. TURNER. The markets are better here than there?

Mr. WADSON. Yes, sir.

Mr. BURROWS. You think that we would not abstain from eating potatoes on account of the duty?

Mr. WADSON. I do not think you would.

Mr. BURROWS. You do not think we would eat more?

Mr. WADSON. I do not.

Mr. PAYNE. I suppose you buy all your surplus in this country, and if you get a larger price you would not raise more potatoes?

Mr. WADSON. Perhaps so. Mr. Masters has already stated that production could not be increased on account of the small quantity of land available. I do not know that I can say much more in support of this question.

I hope the committee will be prepared to take the matter under favorable consideration, and I trust that the catechising I have received and the answers I have given to your questions will not prejudice you against us. Perhaps I do not understand the matter as well as you gentlemen here, and do not understand all the circumstances, but I have tried to show that farmers of Bermuda pay the duty.

The CHAIRMAN. We will try to consider the facts.

Mr. DALZELL. You probably will not recognize them after they have been considered.

Mr. WADSON. I do not know about that. I hope, however, that your action will be favorable to Bermuda.

HORSES.

(Paragraph 247.)

WASHINGTON, D. C., *September 7, 1893.*

SIR: Since the passage of the McKinley bill, the tariff on work stock, that is, horses and mules, has been placed at $30 per head (a special tax), which tax, previous to the enactment of the McKinley bill, was an ad valorem tax of 20 per cent, which amounted to $2 per head, as the standard price was an estimate of $10 per head. It will be seen at once that this special tax of $30 per head, under the McKinley act, amounts to nothing less than a prohibitory measure—thus resulting in a great hardship upon all laboring classes in the Gulf States or cotton-raising States.

This Mexican work stock was shipped and sold to the cotton producers of the entire South, not costing them exceeding the price of from $25 to $35 per head. Since that supply has been cut off from Mexico, by the McKinley bill the agricultural people are now paying for the same class of stock, notwithstanding the stringency of the money market, from $50 to $75 per head. This class of stock is far superior for the Southern agricultural people than that stock which is raised in the West and Northwest, for several reasons. The first is they do not go through acclimation, as they are raised in a southern latitude; therefore, they are not subject to diseases that Western and Northwestern stock are subject to when brought South—therefore they do not require any nursing the first year when brought South, as Western and Northwestern stock do. During the time of acclimation, a considerable per cent of the Western and Northwestern stock die, thereby entailing a loss of from $50 to $75 per head on each one lost on the agricultural people. Besides, while the Mexican stock do not die from acclimation, they are a very hardy stock that will subsist upon 50 per cent less of cost for food than the Western and Northwestern stock require, and will do more labor than the Western and Northwestern stock can do.

You will see, therefore, at a glance of this statement of facts that, as a matter of national economy, it would be but following out the Democratic idea if this prohibitory tax was reduced to the original tax ($2 per head), thereby giving great relief to the laboring classes, who are now working cattle in shafts because of this supply having been cut off from them. The Government would derive a revenue annually on this horse stock alone of not less than a half million dollars. There were about 250,000 head of horse stock brought over from Mexico annually previous to the McKinley bill.

Yours, very truly,

AMOS GRAVES.

WEST FALMOUTH, ME., *September 15, 1893.*

SIR: Heavy draft horses are mostly purchased here instead of being raised. The present duties compel the use of those bred West. Those have inferior constitutions, lacking adaptation to the raw climate of the Atlantic seaboard.

The adjoining British provinces furnish much hardier animals, inured to exposure to weather so much severer than what they meet when brought here that no loss occurs, set off against 20 per cent by deaths and expenses in the Western product.

Yours, respectfully,

C. E. CLIFFORD.

CATTLE.

(Paragraph 248.)

WEDNESDAY, *September 13, 1893.*

STATEMENT OF F. H. ROCKWELL, OF WARREN, PA.

Mr. CHAIRMAN: My object in coming before the committee was merely to bring to your notice the unfairness of the tax on cattle between the sections of this country north and south, between Canada and Mexico.

I am a manufacturer of lumber and leather, but appear on behalf of the cattle business. Up to the time that the last duty was put on, when the McKinley bill went into effect, it was an ad valorem duty. At that time I think it was about 20 per cent. The specific duty was $10 per head, which excludes entirely the Mexican cattle from being driven across the border. The tax is nearly the full value of the cattle when they get across; whereas, on the other hand, the cattle that come from Canada are principally fatted for the cities of Boston and New York, and can afford to stand that specific duty.

Another feature to which I wish to call attention of the committee is that the cattle which are brought from Mexico are raised by Americans on American capital. I do not know of any Americans in that business at all; whereas, in the case of Canada it is of a foreign interest. The Mexican steer, when he gets across the border, has to be taken to Kansas or Nebraska and fed. Corn in Mexico is worth 2 cents a pound; and they can not afford to feed it to cattle. It helps to make up the food of the country.

Up to the time of the McKinley bill the balance of trade was in favor of the United States, I think in 1889 and 1890 to the sum of $571,000 on cattle and hogs. Since then the trade has ceased, as the tax is so high it is prohibitive entirely on cattle coming across. It really discriminates between Canada and Mexico in favor of Canada. A great many of the people who are feeding cattle in Mexico were men who were originally in Arizona, and who moved across the line.

Mr. PAYNE. Your idea is that Canada can afford to pay duty, and Mexico can not on account of the difference in the cattle?

Mr. ROCKWELL. Yes, sir.

Mr. BYNUM. What is the value per head of the cattle which come across the line?

Mr. ROCKWELL. I do not think they will exceed $15.

Mr. BYNUM. They are fatted cattle ready for the Eastern market which come from Canada?

Mr. ROCKWELL. They are raised, grown, and fed there for that market. That is not the case in Mexico, as corn is worth 2 cents a pound.

Mr. PAYNE. All kinds of cattle come from Canada?

Mr. ROCKWELL. I presume so.

Mr. PAYNE. Under the ad valorem duty the undervaluation did not amount to much?

Mr. ROCKWELL. The most cattle that we ever imported from Mexico was $13,960 worth.

Mr. DALZELL. Did the McKinley bill advance the duty as well as change the value?

Mr. ROCKWELL. It advanced the duty on Mexican cattle three or *four times* over; but I don't think it did with Canadian cattle.

Mr. BYNUM. Is not the administrative bill sufficient to cover that?

Mr. ROCKWELL. We feel that it is a discrimination between Americans in Mexico and Canadians.

Mr. DALZELL. Is this gentleman for whom you appear an American?

Mr. ROCKWELL. Yes, sir; he is a graduate of Cornell University. He joined with me in the cattle business. He started in Arizona and feed gave out.

Mr. TURNER. Do you raise horses?

Mr. ROCKWELL. No, sir; only for our own use.

Mr. TURNER. The duty of $30 a head on horses has exterminated that trade?

Mr. ROCKWELL. I should judge so. There are no horses in that country on account of the raids of the Indians. They have driven all the horses out.

Mr. TURNER. That State of Sonora is up the Rio Grande?

Mr. ROCKWELL. That is south of Toombstone, Ariz. I would like to impress upon the committee the fact that we do not like to be discriminated against.

MACARONI.

(Paragraph 258.)

WEDNESDAY, *September 6, 1893.*

STATEMENT OF A. J. TOOMEY.

Mr. CHAIRMAN: I am treasurer and secretary of the Columbia Manufacturing and Importing Company, formerly called the Columbia Macaroni Company, doing business in New York City, having their principal offices there, and also their factory, incorporated under the laws of the State of New Jersey. We are, I think, the first Americans to manufacture macaroni in this country, a great many of the other manufactories being mostly naturalized Italians, a few Frenchmen, and within the past year or so, quite a number of other American concerns have started up throughout the country, but in New York and in the East in fact we are the only ones. I have not been able in the short time since I applied for this hearing to get statistics from all over the States, because there are factories in nearly every State in the Union, so I could give you anything definite in actual figures, nor have I got the statistics to show whether the importations of macaroni have increased or decreased since the McKinley bill was imposed. I think they are about normal, but I am not going to claim that the beneficial effect of the tariff is the only thing that has increased the consumption or manufacture of macaroni to the extent I expect to show you it has increased in the last four or five years. Macaroni, as you know, is a product solely of wheat, or at least ought to be. It is the staple food of the Italians. The Italians are macaroni eaters just as the Chinese are rice eaters. In Italy, I believe 90 per cent of the food used there is macaroni. Now every shipload of emigrants which comes over here brings many hundreds of macaroni eaters. They are distributed throughout the land and we all know what the history of our immigration within the last few years is and have been impressed with the number of Italians who have come to this country. They are not only Italians who are consumers of macaroni in this country but the American peo-

ple are very rapidly acquiring the macaroni habit, and it is like chewing gum, when you once get this habit it is hard to drop it. It is not only considered a luxury, but it is now recognized throughout the country as one of the healthiest foods and it is really cheaper than meat or bread, therefore it is not at all to be wondered at that the consumption should have increased very enormously. Now, we use in this country in the manufacture of macaroni about 5,000,000 bushels of wheat. It is not enough to boast of as a percentage in the four or five hundred millions of crop as far as the farmers are concerned, but I venture to say there are very few of those people who are interested in the raising of wheat who know what macaroni is. They all know about Yankee Doodle, and I think that is as far as their knowledge goes; but I am not here to deplore their ignorance in this respect. But I really think people know so little about it I should explain to the ordinary observer what an important article it is. I know I have seen on Delmonico's bill of fare macaroni as a vegetable, but I think the business men of the country, the wholesale merchants, are getting to understand what it is, as one of the concerns has started a factory out in the Northwest and we have had applications for stock in our concern from some of the largest wholesale grocers in the east. I think there about 2,000 factories in this country. That is a conservative estimate, but I would like to qualify the word factory in this way. Macaroni is manufactured on a small scale by a great number of Italians wherever there is a mining town or they are building a railroad, such a place as Halzleton, Pa., and up in the mining regions where there are twenty or thirty factories. I am not here in their interest alone. I simply am here to represent the manufacturers on the larger scale.

In New York City, Brooklyn, Hoboken, and the vicinity around there are twelve large factories. Six of these have started up in the last three years, including ours; one, an Italian, has doubled the capacity of his factory. Three years ago he started a company and built a factory that would cost over $100,000 in New York City, but he told me the other day he had abandoned the idea for fear of a change in the tariff, and was going to turn the building into a flour mill. These large factories turn out about 200,000 pounds of maccaroni weekly, or say 10,000,000 pounds a year. That is right in New York City alone, and that is equal to 250,000 bushels of wheat. Then there are other cities, such as Pittsburg, Cincinnati, Philadelphia, where there are, I suppose, a dozen factories. San Francisco and down in New Orleans there are large factories outside of those, and I think if I claim the rest of the States manufacture twenty times as much maccaroni as we do in New York I will not be out of the way in my statement. Twenty times 250,000 bushels of wheat would amount to 5,000,000 bushels of wheat that I claim goes into it.

Mr. DALZELL. How old is that industry?

Mr. TOOMEY. There was a manufactory started twenty-five years ago by an Italian in Brooklyn, I think, who manufactured macaroni and charged 25 cents a pound for it. It is now selling at 5 cents a pound, but since I have been in New York it has only had its first big impetus and start within the last four or five years. It got its great impetus from the consumption by the Italian immigrants, and Americans going abroad got educated to it. The French and Italians educated them up to it; so I say the industry is practically only about five years old as an important industry, and I think since the tariff has been put on *it has increased* about 300 per cent.

Mr. DALZELL. It came in free before the McKinley bill.

Mr. TOOMEY. No; there was a duty, I think, of a cent a pound before the McKinley bill.

The CHAIRMAN. No; it was free.

Mr. TOOMEY. I was not well posted on that because previous to the McKinley bill I had no interest in it.

The CHAIRMAN. You say it got its greatest impetus four or five years ago?

Mr. TOOMEY. Yes, sir.

The CHAIRMAN. Then it got it while it was on the free list?

Mr. TOOMEY. The consumption by these Italians gave it this great impetus.

The CHAIRMAN. You say there were large factories in existence four or five years ago?

Mr. TOOMEY. No, sir; there were not large factories in existence then. I am a flour and grain merchant; that is my regular business, and as an outlet for the product of the mills I handle goods for in New York I naturally skirmished around everywhere, and I found a few small macaroni manufacturers who bought flour, and five years ago there was only one man in New York using a good deal of flour, using, say, 300 barrels a week. Since the tariff was put on he has doubled his factory; he is building another around the corner; he is the person I alluded to just now who was extending the building which is a $100,000 factory——

Mr. BURROWS. That is, since the act of 1890?

Mr. TOOMEY. Yes, sir. There is one thing about the macaroni industry as it existed before the tariff. Macaroni can only be made here properly from the farina of wheat that is granulated and not pulverized in the flour; if not it will not make what we call macaroni at all. These Italian manufacturers, who were in existence before the tariff of 2 cents was imposed, only made this cheap macaroni. They made it out of the cheap grades of flour, second and third grades and the offal, and that macaroni was sold throughout the country at actually much lower prices than the imported macaroni, which was made from the very highest grade of hard wheat, and of that wheat only the best part of it which is granulated. The starchy part which pulverizes into flour and makes the macaroni pastry is not good for it, but as soon as the tariff was put on we started, and we make macaroni that competes in quality with that of the imported. For instance, to give you a case in point, we are exporting some of this macaroni to some of the Spanish-American countries, such as Mexico and the United States of Colombia. We have orders continually from Colon, and ship a great deal to Porto Rico, that we have obtained since the reciprocity treaty went into effect. Now, the price down there—the Spanish macaroni is not quite as good as the other—is $6 per quintal, 100 pounds, and the American price is $8. There is a duty down there amounting to about the duty here. We also ship a little to Cuba, but we can not get in there very well, although the same reciprocity treaty obtains, because the duty in Cuba is payable in Spanish gold and we pay 50 per cent ad valorem, and the ad valorem in those countries are fixed prices made by the Government, it is not an ad valorem on the invoice. In Porto Rico it is also 50 per cent, but the duty is payable in Mexican dollars and that brings it down about 2 cents a pound.

Mr. GEAR. The Mexican dollars are at a discount?

Mr. TOOMEY. Yes, sir; I think the last we sold was at 67 cents. The main point in everything, of course, is the raw material and the cost

of production. Now, if we come to the raw material first you we are on equal basis with Italy and France. I wil Spain, because we import no Spanish macaroni here. W finest wheat in the world in this country, and we ship it world, but there is only one wheat that is grown here that to the manufacture of macaroni. and that is No. 1 h No. 1 hard Duluth, or No. 1 hard Minneapolis, whose q are when it is ground, after the cylinders pass over it, it wi a flinty matter and form a harsh kind of meal, and have ve verized matter or starch. It is the only wheat that will c the imported. This wheat, unfortunately for us, is so widely by our millers throughout the Northwest, Buffalo, and Ne and elsewhere, that the price of it is just 5 to 7 cents a bus price of ordinary grade of wheat we export. Take No wheat, which is absolutely unsuitable for macaroni. Our ern hard wheat is only fairly good. The Tagenrok Ru is largely used, also Algerian wheat, and a flint wheat gro I have forgotten the name. These wheats are really chea Genoa or Naples than our No. 1 hard wheat at the se the proof of that is that sometime ago some of our manu New York city, Italian manufacturers who had been usin viously, imported farina from Genoa. You notice flour an protected, but farina comes in under the free list. The co in such shape abroad and these wheats so cheap that we c this, so in raw material we are practically on an even basis

Mr. TURNER. What elements of the wheat do you us macaroni?

Mr. TOOMEY. We use all of the wheat except the skin between the skin and the kernel, which is the part which go is called "middlings," for feeding purposes.

Mr. TURNER. You remove the husk or shell?

Mr. TOOMEY. Yes, sir.

Mr. TURNER. How would you consider macaroni so wholesome than bread?

Mr. TOOMEY. Because of the way it is made. The claim people throughout the country of late years have deterior they have used too much starch, and used patent flour, the baking flour to Europe. We ship all the glutinous p other side. We think our trade is exclusively an America we do not export at all, except what we call the by-prod macaroni which gets spoiled in the process of manufacture

Mr. PAYNE. What does it sell for by the pound?

Mr. TOOMEY. On the article we sell it is 7 cents, put packages. The American trade uses 95 per cent pound pa

Mr. PAYNE. In bulk what does it sell for?

Mr. TOOMEY. In what quantities?

Mr. PAYNE. Not in pound packages; in bulk?

Mr. TOOMEY. It sells at about 6 cents in bulk.

Mr. PAYNE. Do you know whether Italy contracts to p of about a cent a pound on exports?

Mr. TOOMEY. I have a letter from Mr. Fabrici, an Italia urer, in New York, a man who has been in business ther time. Most of the Italian manufacturers are people who English very well, and it is very hard to get them to come facts, but this man is very clever, and he writes:

NATIONAL MACARONI COMPANY,
New York, September 5, 1893.

GENTLEMEN: Referring to our interview to-day, we would say we would coöperate with you in your efforts before the Ways and Means Committee to represent the interests of the macaroni manufacturers in the matter of the tariff.

As we are all well aware, the wages in Italy are so extremely low in the macaroni manufacture, being about 50 cents per day for men and 15 cents per day for women, that the present duty of 2 cents per pound is a just protection.

The Italian Government, as you know, gives a rebate on all paste exported, so that we must contend with this as well as with the starvation wages already mentioned.

Another point is the strong prejudice against domestic macaroni, which, if it were not for the duty, we could not overcome.

In conclusion, we are an American company, using American wheat, and giving employment to persons coming to this country.

We believe that any reduction in the present tariff would compel us to close our factory, and see the efforts of the past year entirely destroyed.

If we had more time we would be glad to enter fully into statistics and cover the question more deeply and broadly, but, briefly stated, the above points are the main ones at issue.

You may use this letter as you see fit, and if we can aid you in your efforts further will be glad to do so.

Yours, truly,

NATIONAL MACARONI CO.,
G. M. BANGS, *Secretary.*

Now, I have taken as the basis of the wages I quoted paid in Italy the statement made to me by Mr. Fabrici, who was a manufacturer over there, and the statement made by the other Italian manufacturer and the statement made to me last week by some of our help. We have considerable Italian help. The men are mostly Italians, and common rumor now would confirm the wages. I have increased them a little, to be on a conservative basis.

Mr. PAYNE. What do you pay for wages?

Mr. TOOMEY. We have reduced our pay roll because of the present financial depression, and we find people who are importers apprehensive the tariff would be altered who say it would no longer pay them to buy from us. So, during the summer season, as there is little or no consumption in the summer, we are obliged to reduce our pay roll somewhat, and I think, I claim, we are the only people in this country who have superior machinery. Our machinery is manufactured after the style of the French mills; we use double cylinders instead of single, and we use machinery of the most improved kind. Our superintendent has made a study of the manufacture in France. We are progressive in this industry, and we have applied everything he has suggested, and I know in some factories it must cost them easily twice as much to turn out macaroni as it does us. Our wages lately, taken from the pay roll which I have here with me, have run about as high as $300 a week. That does not include wages for fireman, engineer, clerks, or anything of that kind. We sublet our power——

Mr. PAYNE. How much a day is that for each man?

Mr. TOOMEY. That would average about $10 a week. That includes only the workmen up there and some boys we use for nailing. We only get three or four able-bodied men for hard work and some boys, so that the prices would hardly average. We pay one man $25 a week, another $15 a week, and another $18 a week. Those are the kind of wages we pay.

Mr. PAYNE. What do you pay the boys?

Mr. TOOMEY. Six, $7, $8, $9, and $10 a week.

Mr. PAYNE. That is, since the reduction?

Mr. TOOMEY. Yes, sir.

Mr. PAYNE. How much percentage of reduction did you
Mr. TOOMEY. About 10 per cent.
Mr. TARSNEY. You say there are other men engaged in t
and it costs them twice as much as it does you?
Mr. TOOMEY. Yes, sir.
Mr. TARSNEY. Are they making anything?
Mr. TOOMEY. I would not like to cast aspersions on my
and their methods perhaps of making a profit sometimes w
care to resort to.
Mr. TARSNEY. If the cost of production to the others is d
lows they are losing money or you making a good deal of m
Mr. TOOMEY. They are losing money; they are contin
into bankruptcy or quitting and changing their name an
heard of any more.
Mr. PAYNE. How many barrels of flour a year do you us
Mr. TOOMEY. We use the equivalent to about 90 barre
week.
Mr. PAYNE. How many concerns do you say are engaged
iness now?
Mr. TOOMEY. In the country I said there are about 2,0
but some of them are very small concerns; but there are i
and vicinity 12 factories practically on the same basis whe
age would be about the same, 90 barrels a week.
Mr. PAYNE. It was stated in 1890 that there were 58 con
Mr. MCMILLIN. What was the percentage of the reduct
wage list?
Mr. TOOMEY. About 10 per cent.
Mr. MCMILLIN. That was since the present rate of duty w
Mr. TOOMEY. That reduction was simply the condition
ent state of financial affairs.
Mr. PAYNE. When was it made?
Mr. TOOMEY. About two or three weeks ago—I think
weeks ago.
Mr. DALZELL. I understood you to say it was on account
ent financial depression?
Mr. TOOMEY. That had a good deal to do with it.
Mr. PAYNE. Were you aware there was a duty up to 18
30 per cent?
Mr. TOOMEY. There was very little macaroni consumed in
then.
Mr. PAYNE. And even the tariff of 1846 had a 25 per ce
Mr. TOOMEY. I think I stated a while ago that outside
Doodle very few people knew anything about macaroni.
Mr. PAYNE. It was put on the free list in 1883.
Mr. GEAR. You made your reduction when?
Mr. TOOMEY. About the first of August we reduced our
have 26 girls earning on an average $4.26 on the present ba
The CHAIRMAN. Are they all Italians?
Mr. TOOMEY. No, sir; the girls are some Italian, Irish
and German-American. We get girls from the neighbor
figures I have quoted just now, a factory of the same for
which takes 16 men would be $40, $2.50 a week ea
girls, $18.40 a week, would be the difference between
we pay and $58 that they pay, or a difference of $200 in a w
in that I have not included at all, as I say, what would cost
steam and firing, which costs at least $50 a week. Taking

off that, making it $35, that would be a cent a pound on the 17,500 pounds we run out in a week.

Mr. TARSNEY. Two cents a pound will be equivalent to what ad valorem?

Mr. TOOMEY. I think 33 per cent on the average price of the goods coming in, but I have here the price list——

Mr. TARSNEY. If there was 30 per cent duty under the act of 1883——

Mr. PAYNE. There was no duty in 1883 or prior to the 35 per cent.

Mr. TARSNEY. If there was a 35 per cent duty prior to 1883, why is it this trade received this stimulus under the McKinley bill?

Mr. TOOMEY. For the reason I tried to explain, on account of the extraordinary increase in the consumption of macaroni.

Mr. TARSNEY. The increased trade increased with the character of the population which consumed it?

Mr. TOOMEY. And the education of the Americans to a point where they became very heavy macaroni consumers. As I say, we have not got a single Italian customer except for our refuse, and all the macaroni we sell goes to the American wholesale grocer, who sells to the retail grocers in pound packages, and that goes to the American people altogether. When I say Americans I mean everybody except the Italians; they never buy it in pound-package form. They do not like to pay that extra cent for the package.

Mr. GEAR. They buy it in bulk?

Mr. TOOMEY. Yes, sir.

Mr. BURROWS. Have you a statement of the wages paid in Italy?

Mr. TOOMEY. Yes, sir.

Mr. BURROWS. Have you made a statement covering that?

Mr. TOOMEY. Yes, sir. Now, on the quantity we turn out this difference of $200 makes a cent and a quarter after counting half a cent a pound for steam power. That is for the wages simply in it, not counting coal. In Italy they have this advantage of climate that they can dry their goods in the open air, and I believe there are factories in Nervi, outside of Naples, where the government gives some kind of a rebate on the land, and they are under some extraordinary good conditions compared to paying rents in New York.

Mr. MCMILLIN. What are those conditions?

Mr. TOOMEY. We pay very high rents in New York; higher, possibly, than most other cities throughout the Union, and I should think it would be five times as much as they pay in Italy. Their factories are spread out regardless of space; they are put up on lands which are not arable—I think what they call "communal lands;" but leaving that out of the question I do not believe they could possibly pay anything like the rents we have to pay in this country.

Mr. MCMILLIN. Is it not a fact that most of the factories are located outside of New York and do not pay the rent to which you allude?

Mr. TOOMEY. No, sir; all the factories I have alluded to—I am not making any specific statement as to these smaller factories throughout the country—but the twelve factories in New York are in the heart of the city or Brooklyn.

Mr. COCKRAN. Where is your factory in New York?

Mr. TOOMEY. It is at the corner of Jane and West streets.

Mr. STEVENS. And they are located there because you can get this labor much cheaper than you can in the country?

Mr. TOOMEY. We could not possibly obtain any labor in the country.

Mr. STEVENS. That more than counterbalances the re penses?

Mr. TOOMEY. And also the facilities for shipping. In It rates from Nervi to Naples would not amount to half a cen

Mr. TURNER. In this process of making macaroni is ther ual skill and experience necessary?

Mr. TOOMEY. Yes, sir; considerable. There is more m than machinery labor.

Mr. TURNER. Is there much expensive machinery in th ment?

Mr. TOOMEY. Yes, sir; our plant cost us over $20,000; chinery alone.

Mr. TURNER. What is the process? Do you treat the gl stance with anything but water?

Mr. TOOMEY. We take the seminal or farina as it come mix that with water at a boiling point, then it is thorough by machinery, which has one man to superintend it. It is t large chunks of dough, put into vertical cylinders that look like a gatling gun, and heavy pressure—1,000 pounds to inch, I believe—is brought to bear on them by a piston, an the macaroni out in pipes down below. There ends the pr as machinery labor is concerned. The rest is simply the gentle and delicate handling. It is a very brittle thing, an kept intact and in pretty form, and all that has to be taken boys, who spread it out nicely for the girls to pack, and the an important part. This duty of 2 cents a pound is on the the macaroni. The macaroni we compete with comes her packages, and the cost of the package is a great deal agains of the case. Although our wood is so much cheaper than cost of the case is great deal more here on account of the to the box-makers. In fact, I was down in Cuba this spring of the factories I happened to be I asked the man where cases, and he said, "I get them from Mr. Diaz." He was was doing a big shipping business in spruce lumber, and I what price he got for those cases, and he said 13 cents apiec 12 cents right in New York.

Mr. TURNER. What would your goods sell for if the tarif off. What price would you be forced to take if we removed 2 cents a pound on these goods?

Mr. TOOMEY. I think if the whole tariff would be taken o have to sell for about a cent a pound or less. There is this it——

Mr. TURNER. How do you make that estimate, accor price prevailing on the other side?

Mr. TOOMEY. We do not obtain as high prices, duty paid eign shippers do, for the reason that they, in order to get i lower price, degraded their goods by using adulterants, whil can public has not had time——

Mr. TURNER. I would like to call your attention to the p

Mr. REED. Let him finish the statement he is making ther to be an important point.

Mr. TURNER. If it will gratify the gentleman from Main interpose.

Mr. REED. I will be very much obliged.

Mr. TOOMEY. I was going to remark, the American pu short time we have been manufacturing, have not yet b

appreciate that we can make anything American as good as the imported article. Now, we can not obtain as high prices for our goods, which we claim are better than the imported, on this account.

Mr. REED. Why is that?

Mr. TOOMEY. This is a question of prejudice, and if we can get along to a point where we can spread our goods throughout the country and have them known, and have them proven to be what we claim they are—we using the raw material as good as theirs and we using as good water in this country—then we can get as much as the importers for their goods.

Mr. GEAR. Do you brand your goods with the American name?

Mr. TOOMEY. All our goods we put out under our brand are branded with the American name, but in some cases we have labels translated in French or Italian. That does not say they are made in France or Italy.

Mr. COCKRAN. Creating that impression?

Mr. TOOMEY. It leaves an impression they are foreign goods.

Mr. TURNER. I would like to resume the examination, if I may be permitted, at the point you are just now. The effect of the tariff has been to degrade the foreign goods somewhat?

Mr. TOOMEY. Somewhat—yes, sir.

Mr. TURNER. When they met and competed with you?

Mr. TOOMEY. Yes, sir.

Mr. TURNER. Now, assuming the foreign goods had remained at the same high quality which they had when the tariff went into effect, what would be the difference in your prices if the tariff was now taken off, supposing the goods were on the same grade as when this started? It would be about this difference of 2 cents a pound, would not it?

Mr. TOOMEY. Assuming we had absolutely overcome the prejudice on American goods, we would have to get down to a little under 6 cents a pound in pound packages, and the lowest which we have been able to get down to up to the present, even with the low prices of raw material now ruling, has been 7 cents. Therefore at the lowest estimate we would have to reduce a cent a pound, grade for grade.

Mr. GEAR. Would you have to reduce your wages to accomplish that?

Mr. TOOMEY. If we did not reduce our wages that much we would simply have to go out of business, becauss we could not do business at the present rate of wages; we would have to do that. You will see the same names of employés through this book since we started. We told them that times were hard, and also we did not know whether the business could continue or not, and they have accepted this reduced scale of wages and ——

Mr. TURNER. What class of consumers use your goods; are they wealthy people or plain people of the country?

Mr. TOOMEY. Both, indiscriminately.

Mr. TURNER. Is the article going into very general use?

Mr. TOOMEY. Yes, sir; you will find it among the cheapest of grocery stores from First and Second avenue in New York, if you are acquainted with the character of those concerns there, and on the other hand such stores as Park & Tilford keep it in stock, and it is used largely by everybody. It is the workingman's food.

Mr. GEAR. If the tariff is not disturbed, you will probably reëstablish the wages paid on the old basis?

Mr. TOOMEY. Yes, sir.

Mr. GEAR. Your men understand that?

Mr. TOOMEY. Yes, sir; they understand that.

Mr. TURNER. And the effect of the tariff, then, has been not only to stimulate the production of this class of food products, but it has been to add 2 cents a pound to the consumer?

Mr. TOOMEY. No, sir.

Mr. TURNER. I mean grade for grade, as you stated just now?

Mr. TOOMEY. No. Previous to any American competition—and it is a very easy thing to go down in prices, but it is very hard to go up—previous to the imposition of the tariff there was no imported macaroni bought by wholesale grocers under 9½ cents a pound. We are now taking the grade of the American package, the same as the French article, and to-day they can buy the goods at 8 cents a pound. Of course we have had a reduction of the raw material; wheat is cheaper now than ever before. The importers and buyers here are keen enough to say, "Here is a tariff bill coming on and American factories starting up," and many a fellow comes and jews prices down, and you are never able to get them up, so that really to-day macaroni is much cheaper than before the imposition of the tariff.

Mr. TURNER. It has been so on the other side, has it not?

Mr. TOOMEY. Yes, sir. Whether their prices have gone down to their consumers more than was consistent with the reduction of raw material or not I am not prepared to say. I know nothing at all about that.

There is one other single thing I would like to call attention to, and that is the prejudice to American goods. We have been manufacturing macaroni for two years, and when we got a foothold we thought we would like to get some Army and Navy Government contracts. They are right around our corner there, and I know those people well and have sold them flour. In their advertisement they state that preference will be given to goods of American manufacture, and we bid on it, and the Columbia Macaroni Company has always been turned down. The last time we put a bid in it was accepted all right, but we did not get the contract on account of a little informality in the papers; but a contract will be given out this week which we shall probably obtain. It takes a long time to get people to appreciate that we have good American goods. You see, a man making macaroni is identified with Italy right away. I am a member of the New York Produce Exchange, and I had to put up with a good deal facetiousness on the part of my colleagues for a long time when I entered into the enterprise. They could not understand how a man of my nationality could be a macaroni-manufacturer; and my partner is also a member of the Produce Exchange. Another party—it is a stock company and he owns part of the stock—is a member of the New York Produce Exchange and also one of the biggest pork packers in Chicago. We have made no money out of this, and in this statement of wages we have not put officers' salaries. I am secretary and treasurer of the company, and I think I have received $15 or $20 for attending directors' meetings in the last two years. I have had a great deal of work to do, and my partner has not got a cent. Our superintendent, who is a practical man and manufacturer, gets $25 a week. So there is no inflated wages there, and our salesmen have not got rich off the establishment. We have spent a good deal of money in this thing, and we would like to see some money come back. We have got $50,000 tied up in it. Now, as a side show, outside of the regular business, that is a good deal to have, and while we have not begun to feel the premonitory pangs of starvation from fear of the tariff being taken off, it is not a comfortable feeling to have it struck

down, and with it our hard earnings, and that what could have been made a good business should be wiped out.

The CHAIRMAN. You were speaking just now about a bounty being allowed by the Italian Government on exports of macaroni.

Mr. TOOMEY. Yes, sir.

The CHAIRMAN. The letter you read spoke of it as a rebate.

Mr. TOOMEY. It might be a difference without a distinction. In France the rebate is simply a drawback, like we have here on goods that are in bond and manufactured and go out, but in Italy they use their own Italian wheat. That wheat, not being imported, can not be called a rebate; it is a bounty.

The CHAIRMAN. The word in the letter was "rebate."

Mr. TOOMEY. The letter was written very hurriedly, I will say.

Mr. PAYNE. It was stated before the committee in 1890 there was a bounty of 2½ francs to the 100 kilos, which was stated amounted to half a cent a pound.

The CHAIRMAN. I understood you to say the cost or price of the imported macaroni before this tariff was imposed was 9 to 10 cents a pound.

Mr. TOOMEY. Nine to 9½ cents; I am not prepared to give you exact figures of the cost to the importer, but that is the price charged to the wholesale grocer.

The CHAIRMAN. I find in the report of the Treasury Department the average price for 1889 was 5½ cents a pound.

Mr. TOOMEY. That is a different article. I am alluding to the French style of macaroni; that is macaroni consumed by the Americans. Seventy-five per cent of the macaroni comes here in bulk. That macaroni comes from Italy, and is sold to-day at—I have the price current here—5½ cents a pound. They charge $1.75 for a supposed 25-pound case, containing generally 23½ pounds, but we do not compete with that.

The CHAIRMAN. The price of the foreign macaroni was 5½ cents in 1889 and 5.2 cents in 1890. Now you are getting the raw material—wheat and flour—cheaper than before the McKinley bill was passed?

Mr. TOOMEY. Yes, sir.

The CHAIRMAN. You say macaroni has become more extensively the food of the workingman of this country?

Mr. TOOMEY. Yes, sir.

The CHAIRMAN. And your object in coming here is to continue this 2 cents a pound on the food of the workingman of the country?

Mr. TOOMEY. No, sir; it is not. I come here and ask you to retain 2 cents a pound, so we can exist, so we can give the employment that we do, and so we can produce a cheap food. I still contend that macaroni is cheaper to-day to the workman than before the duty was put on.

Mr. MCMILLIN. Has the duty caused that?

Mr. TOOMEY. Yes, sir; the duty caused an enormous competition in this country.

Mr. MCMILLIN. How is the duty to help you to pay higher wages?

Mr. TOOMEY. The duty has caused a competition throughout this country, and though the profits may be small, still we can live. Now, the exporters from the other side have been obliged to reduce their prices on account of the tariff. If they want to come in at all, and they manage to come in now on account of the prejudice in favor of their goods, but if there is a great big difference between the price of the

American goods and imported goods, I think a great many people would swallow their prejudices.

Mr. COCKRAN. Together with the food?

Mr. TOOMEY. I contend, further, Mr. Wilson, our price of 7 cents has absolutely no bearing on the price you have quoted there which is the Italian macaroni in bulk, and I also contend, still further, that the price is not an accurate one. I have seen this over and over again. There has been trouble in New York over it.

Mr. PAYNE. That is the Treasury report, not the market report.

Mr. TOOMEY. The great point I want to make is, there is 2 cents a pound on the macaroni, but there is no duty at all on the packing, and the goods we compete with are all package goods. I have here the price current of Austin, Nichols & Co., and they quote French macaroni at 10¾ and 11 cents, Italian macaroni at 9½, Monarch, our American, 9 cents, and so on.

Mr. TARSNEY. What does your macaroni sell for in the United States of Colombia and Mexico in the equivalent of our money?

Mr. TOOMEY. I am not aware what price it brings. We get orders from commission houses. The only place we export to direct is Porto Rico, and we get 5¾ cents a pound for that macaroni, which is a special grade.

Mr. PAYNE. Is this grade sent to Porto Rico a cheaper grade?

Mr. TOOMEY. It is a grade that has to be saturated with saffron.

Mr. HOPKINS. The macaroni you speak of is sent to Porto Rico is not the grade of macaroni you sell here for 7 cents?

Mr. TOOMEY. It is the same grade, but it is put up in bulk; the difference in price is the package, and they use the small pieces.

Mr. PAYNE. What do you mean—the broken pieces?

Mr. TOOMEY. Yes; they use vermicelli and small pieces.

MACARONI.

(Paragraph 258.)

NEW YORK, *September 19, 1893.*

SIR: Our attention has been called to the report of Mr. A. J. Toomey's argument before your honorable committee to try and have the present duty of 2 cents per pound on imported macaroni continued.

We beg to call your attention that this tax is most unjust; it is really depriving poorer classes of our people from obtaining the best worth for their money. Imported macaroni is made from hard Russian wheat, and is in every way vastly superior to the American. When cooked, in fact, it is really as different as good is from bad.

The present tariff is equivalent to about 35 per cent ad valorem. Surely this is too much protection when the people hope to see necessary and especially food products reduced to reasonable prices.

If reported correctly, the domestic manufacturers stated that they are selling to foreign countries—as, for instance, Mexico and Colombia. If they can compete with the European manufacturers in those countries, why can not they do so here?

If they can not sell here, as they state, unless with a 2 cent per pound protection, how can they meet the foreign manufacturer there? And if they can compete there, why not here? Macaroni is an article of cheap and wholesome food for the entire people, and we respectfully

ask that it be placed as it was for seven years before the McKinley bill went into effect—that is, on the free list. Please also take note that, besides the 2 cents duty now imposed, there is the freight and marine insurance against the imported article. This amounts to three-fourths of a cent more; therefore the protection is now 2¾ cents, which ought to be abolished.

Respectfully, yours,

A. STEPHANI & CO.

RICE.

(Paragraph 261.)

STATEMENT OF MR. JOHN A. HUBBARD, OF NEW ORLEANS.

MR. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: As a rice planter and as a representative of the Board of Trade of the city of New Orleans, I beg leave to submit the following facts and figures relative to the rice industry of the State of Louisiana.

In the last few years the rice industry has grown in magnitude in our State beyond our most sanguine expectations. Formerly its cultivation was restricted to two river parishes, Plaquemines and Lafourche, and to-day it is an important crop in twenty-five parishes. It is cultivated upon the sandy parishes of the east, the alluvial bottoms of the Mississippi River, and its outlying bayous, and the prairies of southwest Louisiana.

The large increase of production in the prairie section has been due mainly to the influx of Western farmers who applied their knowledge of improved implements in the growing of wheat to the cultivation and harvesting of the rice crop. By the extensive use of gang and riding plows, harrows, seeders, harvesters, etc., the price of growing this cereal has been materially reduced and has caused an increased acreage in the prairies with slight diminution in the alluvial lands. The total area devoted to rice in Louisiana is about 200,000 acres, growing last year a total crop of about 2,250,000 sacks of rough rice, or 225,000,000 pounds of clean rice. This industry employs about 20,000 men and supports about 100,000 people. If to these be added those engaged in the transportation, marketing, and milling of the crop, it is safe to increase the above to 125,000 people.

The lands, teams, implements, and machinery involved in the cultivation of rice have a value exceeding $10,000,000. Add to this our score or more of expensive mills, which cost on an average $100,000 each, and we have a grand total of value $12,000,000, with annual expenses of $3,500,000, producing 2,000,000 sacks of rough rice worth $2.50 per sack.

During the past year, on account of our large crop and the importation of foreign rice, prices fell to alarmingly low figures, selling at one time for $1.60 per sack of 162 pounds, a little below the present import duty, and far below the cost of production. These low prices have had a tendency to decrease acreage this year, and this, aided by unfavorable seasons, has caused the present short crop, now being marketed, to bring fairly remuneraiive prices.

It is expected that this crop will bring $2.50 per sack. The tariff on paddy rice is 1 cent per pound. A sack of rice weighs 162 pounds, the tariff on same is $1.62, leaving 88 cents per sack to pay freight, com-

mission, insurance, and the growing of the rice in foreign
No one outside of the crowded countries of China, Japan,
can possibly grow this crop at these prices and live. It is
sary to call your attention to the above facts to fully demon
the continuance of the present tariff is absolutely necessary
destruction of the rice industry, not only in Louisiana but i
linas and Georgia as well. Louisiana now raises four-fifths o
rice of the country, and if protected our prairies and alluvial
soon produce all the rice now consumed in the United State

In conclusion, permit me to say that the rice men of Loui
made an extensive and expensive exhibit at Chicago Expos
ing it under charge of a competent rice man, who is distr
small packages 50,000 pounds of clean rice with printed i
how to cook and serve this valuable article of food. In t
hope to teach the people how to use this cereal, as its presen
makes it one of the cheapest foods in the world.

This, gentlemen, is a table I submit showing the increase
fifteen years of the rice crop of Louisiana:

Table showing increase of rice receipts at New Orleans in past sixteen

[Compiled by T. J. Salvant, No. 28 Sugar Shed, New Orleans, La.]

1877–'78:		1885–'86:	
Rough rice.....sacks..	233,707	Rough rice.....sacks	
Clean rice.....barrels..	16,682	Clean rice.....barrels	
1878–'79:		1886–'87:	
Rough rice.....sacks..	279,611	Rough rice.....sacks	
Clean rice.....barrels..	21,045	Clean rice.....barrels	
1879–'80:		1887–'88:	
Rough rice.....sacks..	182,999	Rough rice.....sacks	
Clean rice.....barrels..	11,152	Clean rice.....barrels	
1880–'81:		1888–'89:	
Rough rice.....sacks..	445,397	Rough rice.....sacks	
Clean rice.....barrels..	29,812	Clean rice.....barrels	
1881–'82:		1889–'90:	
Rough rice.....sacks..	435,692	Rough rice.....sacks	
Clean rice.....barrels..	39,390	Clean rice.....barrels	
1882–'83:		1890–'91:	
Rough rice.....sacks..	392,750	Rough rice.....sacks	
Clean rice.....barrels..	37,736	Clean rice.....barrels	
1883–'84:		1891–'92:	
Rough rice.....sacks..	459,559	Rough rice.....sacks	
Clean rice.....barrels..	41,055	Clean rice.....barrels	
1884–'85:		1892–'93:	
Rough rice.....sacks..	333,693	Rough rice.....sacks	
Clean rice.....barrels..	32,333	Clean rice.....barrels	

Add 226,000 sacks marketed outside city of New Orleans, equals 225,00
cleaned rice.

RICE.

(Paragraph 261.)

STATEMENT OF G. ERNST, OF NEW ORLEANS, LA.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: the interest of the rice manufacturer or the rice miller. I wi framing this tariff that the rates ought to be more on a pari present on the different grades of rice which now pay duty. been a good deal of controversy between the appraise

what is clean and what is unclean rice. When the Mills bill was formed I succeeded in having a proper distinction put in. Why they were left out of the last bill I do not know, and it has caused a great deal of controversy in the courts because some of the importations decided clean at New Orleans were decided unclean at the port of New York. I have brought samples along with me to show the different processes the rice has gone through. Here is a box of No. 1 paddy rice with a tariff of 1 cent a pound. That definition is correct, that is rice with the husk on. Now to remove that husk we hull it through large stones 5 feet in diameter and then screen it to separate it and get the chaff off. This is what we get off [exhibiting]; this is the husk. Now, when this is removed we claim what should be termed unclean rice is this rice [exhibiting], which is not fit to eat because it has the outer cuticle on it. I will state that to bring this rice up to the finished condition it takes from an hour to an hour and a quarter's work in mortars, which are large mortars in which we pour the rice and which have pestles worked by steam. It is a very slow process and on account of the rice being so brittle we have to handle it very carefully to keep it from breaking.

Mr. BRECKINRIDGE. You do not run it between the stones again?

Mr. ERNST. No, sir.

Mr. BRECKINRIDGE. Then you use mortars?

Mr. ERNST. Yes, sir; after it comes out of the mortar it is separated, and this cuticle which comes off of it we call rice bran.

Mr. BRECKINRIDGE. This is all done in one mortar, one process?

Mr. ERNST. Of course we have quantities of mortars. After the bran is separated from the rice it comes in this condition [illustrating]. Now, we call that cleaned rice. The appraisers in New York call that unclean rice. Now, it takes one hour to bring the rice up from that condition you see there to this condition you see here. Then it is polished. That adds a value of about 1 cent a pound, and it is almost an instantaneous process. It runs through a polisher and gets a gloss put on it, and the cost of putting that on is not over one thirty-second of a cent, whereas the cost of bringing it from the unclean state to this state is one-half cent; and that is the reason why we wish to have a definition put on.

Mr. BRECKINRIDGE. That makes a distinction between these two?

Mr. ERNST. Yes, sir; we get it through a polishing process, and you will see the difference between the two. We had this brand analyzed by Mr. Ross, of the State of Louisiana, and he says it is rice. We have had it analyzed by chemists in New York, and yet they call it polish.

Mr. BRECKINRIDGE. You call it rice flour?

Mr. ERNST. No, sir; that is ground rice.

Mr. MONTGOMERY. Is there any use made of that?

Mr. ERNST. That is exported in large quantities to Europe. After this rice goes through the polishing process and the pounding process there is always more or less broken which we separate and get this grade of rice [exhibiting]. This is called brewing rice and it is only used for brewing purposes.

Mr. BRECKINRIDGE. Your polishing rice gives two by-products?

Mr. ERNST. Yes, sir.

Mr. BRECKINRIDGE. One is the husk of the rice and the other rice polish from it?

Mr. ERNST. Yes, sir. Now, when we were here in 1890, before that time the importers took this brewer's rice and this rice and mixed it together and imported it as broken rice at a very small rate of duty,

and we want this sieve retained in the tariff. It is known as a No. 12 sieve, 10 by 10 mesh, made out of No. 20 wire. I brought some samples of rice here. There was a cargo of Japan rice brought into New Orleans two years ago where the milling bill on that cargo would be about $10,000. If it had been brought in the way they are now bringing in, if that cargo had been brought in that condition [exhibiting sample], the milling bill would not amount to over $1,000, so the American millers have been deprived of $9,000 by fraud. I will put some of that rice in my handkerchief and polish it [rubbing it in handkerchief]. That is the condition you see it in now. The difference between this rice and that is that this has gone through a part polishing process and the polish left on it so as to make it appear unclean. My handkerchief has polished that off; therefore I would like this definition to be put in there, and I leave you a copy of these definitions.

Another thing I would like to call your attention to. In fixing the tariff on the unclean rice they put 1¼ cents on unclean rice and 2 cents on clean rice. Now, it costs half a cent to bring rice from that condition up to the polished condition, and the difference is too great and on a parity it should not be over half a cent on the clean and unclean if the definition is right as to what unclean rice is.

Mr. MONTGOMERY. The whole range would be a half cent?

Mr. ERNST. Between clean and unclean. Now, in 1890 the crop amounted to 892,374 sacks. This year it amounts to 2,225,000 sacks. The trouble with us is this clean rice is being imported into the port of New York as uncleaned rice.

Mr. BRECKINRIDGE. Has it set back the mills or the growing crops?

Mr. ERNST. It has set back the crops, because we have to sell our product for so much less.

Mr. BRECKINRIDGE. Has it set back the mills or the crops?

Mr. ERNST. We have just discovered that.

Mr. BRECKINRIDGE. I am simply asking, as a matter of fact, which is it. You say it is set back; what is set back?

Mr. ERNST. Our crops. It has caused the low prices.

Mr. BRECKINRIDGE. Then it has set back the price of the crop?

Mr. ERNST. Yes, sir; and it has made us carry over a great deal.

Mr. BRECKINRIDGE. Has it set back the volume of the crop and also the price of the crop?

Mr. ERNST. Yes, sir.

Mr. BRECKINRIDGE. I just wanted to get at what you mean?

Mr. ERNST. Now, in 1878 there were 62 pounders in Louisiana. When I was here in 1890, we had 212 pounders, and to-day we have 320 pounders; an increase of nearly 50 per cent in three years.

Mr. TURNER. What do you do with the rice bran?

Mr. ERNST. It is used for feeding cattle and stock, mules; there is a large demand for it, and there is a good deal of it now exported.

Mr. TURNER. Is that the material which you get from the cleaning, husking, or grinding the rice?

Mr. ERNST. That is what we get from removing the outer cuticle off the rice after the husk is removed.

Mr. TURNER. Is not that very nutritious?

Mr. ERNST. Yes, sir.

Mr. TURNER. Do people use it much?

Mr. ERNST. No, sir; they do not use the bran.

Mr. TURNER. It is used only for stock?

Mr. ERNST. Yes, sir.

Mr. TURNER. Is there any flour or something of the kind made which makes good food?

Mr. ERNST. Yes, sir. The rice polish is a white flour.

Mr. TURNER. How does that sell in the market as compared with the rice?

Mr. ERNST. That sold last year—we got a very high price, almost a cent a pound for it then. This year it is worth about five-eighths of a cent a pound. We do not use it in this country, it is exported and it is used on the other side, I understand, in mixing it with rye flour.

Mr. TURNER. Do you get anything for the chaff?

Mr. ERNST. No, sir; the chaff we throw away.

Mr. TURNER. The only two by-products worth anything are the bran and polish?

Mr. ERNST. Yes, sir. That is all I have to say, gentlemen.

PEAS AND MUSHROOMS.

(Paragraph 271.)

HENRY NORDLINGER & CO.,
New York, September 9, 1893.

ASKING THAT THE DUTIES ON FRENCH CANNED PEASE AND MUSHROOMS AND CANDIED CITRON BE MADE SPECIFIC INSTEAD OF AD VALOREM, AS AT PRESENT.

SIR: French canned pease and mushrooms are now assessed, under section 271, custom tariff act of 1890, at 40 per cent ad valorem, and candied citron under section 303 of the same act at 35 per cent ad valorem, the duties being assessed, as per section 19 of the customs administrative act, on "the actual market value" at the time of exportation to the United States.

These articles are seldom purchased at the time of their exportation to the United States. They are usually contracted for months before, often even before they are packed. The fluctuations in the market value are frequent, sudden, and extensive, so that it is manifestly impossible for the Government, even at considerable expense, to accurately establish "the actual market value" at any particular time. This expense and this difficulty would be at once avoided and overcome by placing specific duties on the goods. The propriety of this course was recognized and approved even in the same tariff act of 1890, section 305, by placing specific duties on candied orange and lemon peel, articles so entirely analogous in their nature and process of manufacture to candied citron as to raise the question whether it was not by a clerical error alone, that candied citron was omitted from the same section.

We ask that the following duties shall be assessed on the articles named above: On candied citron, 2 cents per pound; on French pease, or mushrooms, in cans, 2½ cents per pound. Weight, *i. e.*, including weight of cans.

Yours, respectfully,

HENRY NORDLINGER & CO.

CABBAGE.

(Paragraph 278.)

NEW YORK, *September 20, 1893.*

SIR: As one of the principal importers of cabbage here, we beg to enter a plea for a substantial reduction in the prohibitive duty of 3 cents a head imposed by the McKinley law. It may not be generally known that the article in question was regularly imported here prior to that law, but somebody at the time of passing the McKinley bill seems to have known all about it, for in the House bill the duty was raised to 3 cents from the almost nominal duty existing heretofore, 10 per cent ad valorem; in the Senate bill the duty came back at 1 cent per head, but when the bill came into conference committee the duty was fixed at 3 cents, and this has since been the legal duty. This increase of duty evidently was meant to be prohibitive, and it has proved to be so except for very small quantities imported here last winter, when prices ran up very high. We and other parties entered a protest in due time, when the law was about being enacted three years ago, but in vain.

We think an injury and an injustice has been done, and for reasons that we shall now explain.

Cabbage is an article that is grown so extensively and cheaply throughout the whole length and breadth of this country that there would never be a question of importing from foreign countries if it were not for one thing; the native plant lacks keeping qualities, and therefore during the three winter months—January, February, and March—there is, as a rule, very little or nothing left of merchantable quality.

Therefore importations have been made from Denmark during the eight years previous to the McKinley law; great sacrifices have been made to learn how to bring it forward in good order, and it costs so much to lay it down here, even without duty, that it can only be brought here when there is nothing left of native growth to compete with it, or when there has been a protracted drouth in this country during summer, and what little is left of native cabbage is sold at very high prices.

Cabbage is consumed by the great masses; the rich seldom eat it; and although the importations are not made from a philanthropic motive, nevertheless they can only be regarded in the light of a direct boon to the poor, who otherwise during the greater part of the winter when there are no fresh vegetables would have to go without this cheap and healthy article of diet. The importations are only made in the interval after the old northern crop is over and before the early spring crop from the South commences to arrive.

To exclude the importations, therefore, means an injury to the consuming classes, and by which nobody is benefited.

And it seems also to be an injustice to the country from where the article is brought. It is a special product of a certain spot in Denmark, the only spot in Europe where that article grows in such perfection and of such keeping quality that it can be brought over the ocean and landed in prime condition. It is the only product that Denmark had been able to send over here in regular trade in view of the high custom duties existing here even before the McKinley law. At the same time Denmark has been and is open for the free entry of all Ameri-

can produce, wheat, Indian corn, butter, and all kinds of provisions, which all have been and are going in a steady stream from here to that country.

The value of the cabbage importations did not run up very high; we think high-water mark was reached in the winter of 1887, with two or two and one-half millions heads imported, but for a small country like Denmark it is of quite some importance, and it gave a good freight for the direct Danish steamship line, who have very little to sail with from Denmark.

For the reasons submitted we beg to entreat you either to put cabbage on the free list or to put the duty back where it was before the McKinley bill, at 10 per cent ad valorem.

Yours, respectfully,

J. D. HAGE & CO.

HONEY.

(Paragraph 278.)

STATEMENT OF MR. FRANK BENTON, OF WASHINGTON, D. C.

WEDNESDAY, *September 20, 1893.*

Mr. CHAIRMAN: I shall be very short and sweet. The article which I represent is the sweetest on the list—honey. It is paragraph 278, and the tariff is 20 cents. The honey industry of the country has had a very great setback from the fact that it has been compelled to come in competition with sugar. It is hard for those engaged in this industry to make a living. Honey can be produced very cheap in Cuba. There is great fear in certain parts of the country, especially in California, as to the future of the business. Some American beekeepers have located in Cuba for the purpose of doing business and sending the product here. If this duty be removed, others would have to go there and send in the product. The cheap product produced in Cuba can be employed in this country in various articles. They cure hams now in honey instead of sugar. They also cure tobacco with honey instead of using molasses. The bee keepers, I think, to a man in this country unite in wishing this to be retained, in order to protect the honey of this country. Some time ago, when the question was before the Bee Keepers' Association of North America, the subject was debated, and some gentlemen believed that it was a great injustice to protect one industry at the expense of another. They rather advocated taking the bounty off sugar than putting it on honey. They, however, wish the retention of the duty.

Mr. GEAR. Is the protection of honey equal to the bounty on sugar?

Mr. BENTON. Not quite. A gallon makes one and two-thirds.

Mr. BRYAN. What is the labor cost?

Mr. BENTON. The popular idea is that the bees do all the work and board themselves. It costs $35 to $40 per month to hire a skillful bee keeper.

Mr. BRYAN. How much is the product?

Mr. BENTON. Sometimes they produce a minus quantity. The bees have had to be fed in the United States. I knew a man in Vermont who kept 400 hives of bees, and during the last five years he had to feed his bees. One year out of five he received a large yield, and perhaps sold the crop for $4,000 or $5,000, but his family all worked in the apiary.

Mr. BRYAN. You do not base calculations upon one instance like that?

Mr. BENTON. Not at all. It is so hard to answer the question by saying how much would be the product.

Mr. BRYAN. Is there a good average?

Mr. BENTON. A good average would be 30 pounds from a hive.

Mr. BRYAN. At what price does it sell per pound?

Mr. BENTON. The price of comb-extracted honey is about 12 cents.

Mr. BRYAN. What does it cost to take care of 100 hives?

Mr. BENTON. The wages is low, but I have not been able to get the figures.

Mr. BRYAN. Is there anything made to take the place of honey?

Mr. BENTON. It is sometimes adulterated with glucose. Some dealers produce it by putting some honeycomb into a jar, pouring a mixture of glucose over it, and selling it for pure honey.

Mr. BRYAN. Has there been any improvement in the manner of the production of honey?

Mr. BENTON. There have been great improvements in that. The invention of the frame hive is used now. The manner of extracting the honey according to a device invented in 1867 is an improvement; and devices for capturing swarms and preventing swarming has been invented. There is also what is called the comb-foundation machine which was brought into use about 1875.

Mr. BRYAN. Do you think the price of honey would be lowered by taking the tariff off?

Mr. BENTON. It would, somewhat, I think, on account of this honey getting in for commercial purposes, and for manufacturing purposes. I do not think the price of the finer grades would be lower.

Mr. BRYAN. It would be the cheaper grades that would be lessened in price—that which the poor people would use?

Mr. BENTON. It would lower the price of honey generally.

HOPS.

(Paragraph 279.)

STATEMENT OF HON. BELLAMY STORER, A REPRESENTATIVE FROM THE FIRST DISTRICT OF OHIO.

FRIDAY, *September 8, 1893.*

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I am in a little difficult position here because I am a Republican and a protectionist, and I represent a district which is both, but we have a very large industry there, one of great proportions and very important, and they have memorialized me to present their views to this committee on one point which is involved in the hearing now before you, and it is the duty on hops which they desire to have put back either to what the law of 1883 left it prior to the passage of what is called the McKinley bill, or, if possible, they would prefer what was included in the so-called Mills bill, which was prepared in 1888. That was 6 cents duty per pound specific. The law of 1883 left it where it had been put in *1876, at 8 cents.* That had been put at 8 cents by a special act offered

by a member from the interior of New York. The so-called McKinley bill, or act of 1890, put it at 15 cents, and with your permission I will read this memorial.

CINCINNATI, *September 2, 1893.*

Hon. BELLAMY STORER,
Washington, D. C.:

DEAR SIR: The Committee of Ways and Means having now under consideration the revision of the tariff, we the undersigned brewers and hop merchants of Cincinnati, would respectfully call your attention to the exorbitant duty of 15 cents per pound now existing on hops imported into this country, and would urge you to use all the influence in your power to have the same reduced to 5 cents per pound if possible.

This latter duty was in effect during the war and until 1875, when it was increased to 8 cents, and subsequently by the McKinley bill was again increased to 15 cents per pound. The present duty is not only very oppressive, but is almost prohibitory and far exceeds the cost of production. The duty of 5 cents per pound affords ample protection to the farmer and is much less of a hardship to the consumer.

The hops produced in this country are all raised in a few counties in New York State and Wisconsin, and in three of the Pacific Coast States, while the brewing industry extends from one end of the country to the other.

It is of the most vital importance to this interest to have the duty reduced to the lowest possible point consistent with the needs of the Government, and your efforts to bring about this result will meet the approval of your constituents regardless of party.

Hoping that you will spare no effort to accomplish this result, we remain, very truly yours,

Herman Goepper & Co.; The J. Walker Brewing Company, Chas. Andrew, secretary; The Banner Brewing Company, by A. Darnsmont, secretary; The Gerke Brewing Company, by R. M. Kuerze, president; John C. Bruckmann Brewing Company; The Herancourt Brewing Company, R. Lutterbey, president; Henry Adam, ——; The Germania Brewing Company, John Wetterer, president; The Schmidt Brothers Brewing Company, per F. S., president; The Klinckhamer Brewing Company, Henry J. F. Wolf, president; Elsas & Pritz; N. Wolff & Co.; The Christian Moerlein Brewing Company, per Wm. Moerlein, secretary; The John Hauck Brewing Company, per Louis J. Hauck, vice president; The Jung Brewing Company, Alvin Carl, vice president and general manager; J. G. Sohn & Co.; The Windisch, Muhlhauser Brewing Company, by H. Muhlhauser, vice president; The John Kauffman Brewing Company, by Emile Schmitt, receiver; The Foss-Schneider Brewing Company, by Peter W. Schneider, secretary and treasurer; Gambrinus Stock Company, C. W. Boss, secretary; The Bellevue Brewing Company, per George Klotter, treasurer; Hudepohl & Kotte, per L. Hudepohl; Buckeye Brewery; Jackson Brewing Company, by Leo A. Brigel, president; Schaller Bros.

I will say that this petition I charge myself with indorsing as representing in the fullest extent that very large interest. It represents every brewing firm in Hamilton County but one. It represents every hop-dealer, not merely in the imported hops, but also in the home product and the trade of home-grown hops in way of interest, and in the aggregate very largely exceeds the imported hop. In other words, the home-hop industry is more in quantity than the imported, and yet these gentlemen have united in thus appealing to me to present this to you.

Now, it is difficult for me to present any argument upon this subject, as I shall have that opportunity, I presume, if there is any change or nonchange, upon the floor of the House. I think I have done my duty as a representative of this district in presenting this to you with my statement to you that it represents in the fullest degree this industry. Every class of it is represented by these gentlemen, whose firms stand as high in the mercantile and civic community as any firm's can do in any community.

Mr. PAYNE. These hop-dealers depend for a market upon the brewers of Cincinnati?

Mr. STORER. I presume so; I am not an expert in this matter, but they supply the brewers of Cincinnati I presume.

Mr. PAYNE. Do you know to what extent the brewers of Cincinnati use foreign-grown hops?

Mr. STORER. Only by information; I am informed they use it only in Cincinnati, principally as a flavor.

Mr. PAYNE. In other words they put a small handful of hops in the bunghole of a barrel of beer before they bung it up?

Mr. STORER. As I said, I am not an expert in hops, and I do not know about that.

Mr. PAYNE. I am an expert about that fact.

Mr. DALZELL. Expert on the beer?

Mr. PAYNE. And, in fact, they use a very small quantity of foreign hops?

Mr. STORER. They use a good deal, because I think the city of Cincinnati, next to the city, of New York, is the largest importer of hops in the country.

Mr. PAYNE. I mean in each barrel they use a small quantity of foreign hops?

Mr. STORER. Of course, as I understand it, the amount of foreign hops used is small in proportion to the domestic hops, because they use it for the purpose of filling a demand which is met only by the other, the foreign beer, or beer flavored with foreign hops, and the statistics will show this committee when they examine them that as the importation of foreign hops has decreased in the last three years the importation of foreign-brewed beer containing these German hops has increased steadily. In other words the views of these gentlemen are, and I confess I can not help sharing them from what I have known, that the increased duty on hops has diminished the importation of hops but has encouraged the importation of foreign beers manufactured in Germany or in England instead of in this country.

Mr. PAYNE. What is the duty on beer?

Mr. STORER. I do not know.

Mr. PAYNE. Are you able to state how much difference in the cost of a barrel of beer it would be if the whole difference of duty of 7 cents, or, as you said, 10 cents a pound, was added to the cost of the beer?

Mr. STORER. I repeat again that I am not an expert, but I have heard it put as low as 5, 6, or 7 cents a barrel, but I do not know whether it is so.

Mr. PAYNE. Have you heard it put below 1 cent a barrel?

Mr. STORER. No; I never have.

Mr. PAYNE. Do you know what beer sells for by the barrel?

Mr. STORER. I think $5 or $6 now with us.

Mr. PAYNE. You have heard it put at 5 or 6 cents?

Mr. STORER. A barrel, yes.

Mr. PAYNE. If the whole duty was added to the cost of the beer?

Mr. STORER. Yes, sir; but, as I say, I do not vouch for it. I do not know anything about the figures myself, and I simply ask that these people, in their request, may have the excellent consideration which you give to any industry which may come before you.

Mr. TARSNEY. And in consideration you will be willing to let up on somebody else's constituency?

Mr. STORER. I have not the slightest objection to that, sir.

HOPS.

(Paragraph 279.)

STATEMENT OF HON. ASHBEL P. FITCH, OF THE FIFTEENTH NEW YORK DISTRICT.

Mr. CHAIRMAN. In presenting to the committee a gentleman who will address the committee on this subject I would like first to say one or two words about the history of this tax. As my friend has stated, the tax was 8 cents a pound on these imported hops for many years. Under that rate of duty everybody was satisfied and the business was successful on all sides. Now, in March, 1890, when the McKinley bill was being prepared this matter was very fully considered by this committee. Mr. Storer's appearance here as a Republican in favor of the lower rate of duty is not new at all. At that time, before this committee—two distinguished Republicans then serving in Congress—Mr. Adams, of Chicago, and Mr. Butterworth, of Cincinnati—appeared here with me urging precisely the same view to the committee which Mr. Storer has presented to-day, and making predictions which have turned out to be true in regard to the workings of this tax. When we take it up now we take it up with the experience of how the higher duty of 15 cents works, which, of course, the committee in March, 1890, did not have before it. In March, 1890, the committee decided, or in the bill they decided, to raise the rate from 8 cents per pound to 15 cents. Now, there are three things which the raising of a duty may be intended to accomplish: One is to aid a "struggling industry" to get on its feet; another one is to raise additional revenue for the Government; another one is to raise the price for the producer. We are not talking now about somebody's prophecy of what will happen, but we are looking at what has actually happened. The committee in 1890 raised the rate against the Republican protest of the distinguished men whom I have named and against the protest of all the Democrats. The increase has worked just as we said it would. In the first place it has not raised the price. The price of hops has not been as good to the grower since the duty was raised to 15 cents as it was before, and for the reasons which my friend, Mr. Storer, has so carefully and fully stated. You have not accomplished anything so far as helping your grower is concerned. He got an average of 26 cents since you put the tax on, where he got an average of 27 cents before. So you have not helped the farmer who grows these hops at all.

In the next place, you did not raise the revenue at all. On the contrary you injured the revenue of the Government by raising this duty from 8 to 15 cents. The average revenue from this source under the 8 cents tax for five years prior to 1890 was about $576,000. In 1890 it fell off to $513,000, and in 1892 and 1893 it was on an average of $389,000 a year against $576,000 a year under the 8 per cent tax. Now you have not helped a "struggling industry" at all because this is an industry where twice as many goods are exported as are imported and in which we produce a surplus over our consumption every year. Your attempt to interfere with this business by almost doubling this tax has cut down the revenues of the Government, injured the grower, and has not helped anybody in the world.

Mr. DALZELL. Has it not added a revenue from the importation of beer?

Mr. FITCH. I am told that the revenue from imported beer has somewhat grown, but if you want to make a revenue that way, of course you can do it. It is nothing compared to the loss of duty on the hops.

Mr. PAYNE. And it has found a sale?

Mr. FITCH. Yes, sir; but the point we insist on is that you have not helped the grower, you have not helped the Government, you have not helped the business, or anybody, and you have injured all of the parties concerned.

Now, as to the position of the Democratic party in this matter, I want to say to my colleagues on the committee there has never been any mistake about it at all. When the Democratic party made a tariff bill, the Mills bill, they reduced this duty from 8 to 6 cents. We are all on record, those of us who voted for the Mills bill, as saying that 6 cents is a proper duty, which is less than we are asking here; we ask only for a return to the old duty of 8 cents. We all voted solidly against the increase in the McKinley bill for the reason that we, with some of our Republican friends like Messrs. Adams and Butterworth, considered that this advance was sure to work precisely as it did. The Democratic record is therefore against the duty of 15 cents, and our statements have been sustained by what has happened.

Now I want to present to you the gentlemen who will address the committee.

Mr. PAYNE. May I interrupt you?

Mr. FITCH. With pleasure, Mr. Payne.

Mr. PAYNE. You say the importation of foreign hops has decreased under the McKinley bill?

Mr. FITCH. I said the amount of duty collected has decreased.

Mr. PAYNE. The importation has decreased?

Mr. FITCH. I suppose it has; I have the figures only as to the amount of duty collected.

Mr. PAYNE. Has the use and manufacture of beer increased?

Mr. FITCH. Beer in the United States? Oh, I think so; I think it increases steadily every year.

Mr. PAYNE. And the use of hops has increased largely?

Mr. FITCH. I think that is true.

Mr. PAYNE. So for the past three years the farmers of this country have had much larger sale for their hops than before this duty because they have supplied a void left by a lesser importation as well as an increase in the use of hops?

Mr. FITCH. I think in order to consider that question that you would have to consider the amount of the exportation of American hops during the time, the course of the market prices, the increase of production, and a number of other things not included in the question.

Mr. PAYNE. For home consumption they have had a larger market?

Mr. FITCH. I do not know about that. They have had a worse market; they have obtained less money for their hops per pound.

Mr. PAYNE. Where did you get your average prices for hops at 27 cents?

Mr. FITCH. I will send them to you; I will give you all the sources of supply from which I got them, and if there is any error I will correct it.

Mr. PAYNE. Is it not a fact that the decrease in price from 27 cents and a fraction to 26 cents in hops has been a much less percentage than any other farm product in the last three years?

Mr. FITCH. I am not from an agricultural district and I am not posted in regard to the prices in farm produce. The duties on all of them were raised by the McKinley bill.

Mr. PAYNE. Well, from your general information?

Mr. FITCH. I am unable to tell you what the fall has been in, potatoes or anything else grown along side with hops. There has been a

great fall in wheat, owing to the utilization of large wheat fields and improved machinery. But in regard to hops raised in your district and central New York I do not know whether the people——

Mr. PAYNE. Very few hops are raised in my district.

Mr. FITCH. If my friend is through——

Mr. PAYNE. I have finished.

Mr. FITCH. I want to introduce a friend of mine who is a hop-grower, a hop-importer, and one of the largest hop-exporters in this country. He is connected with the business on every side and every phase of it. He raises hops for export, and he exports and imports hops very largely. All of us who know him in New York know he has no selfish interest to serve; that he comes here because he believes, as all of us connected in any way or having any knowledge of this matter believe, aside from a few farmers, that it is a great deal better for the trade, for the grower, and for the Government to reduce this duty to where it was before the McKinley bill. I ask leave to introduce Mr. Fox, of New York.

HOPS.

(Paragraph 279.)

STATEMENT OF MR. HUGH F. FOX, OF 35 PEARL STREET, NEW YORK CITY.

Mr. CHAIRMAN AND GENTLEMEN: I feel a trifle embarrassed at the extent of Mr. Fitch's introduction. I have been interested in the trade for some twelve years, and, as he says, in all of its branches; but I come here more in the capacity of an expert in the trade than anything else. I have had no experience in speaking in public, and I am not much used to thinking on my feet, but I am prepared to answer questions that may be put to me and to speak according to my knowledge to the best of my ability. I would like to present to you first a shortmemorial addressed by members of the trade in New York.

NEW YORK, *September 6, 1893.*

The undersigned, importers of foreign hops and dealers in and exporters of American hops, desire to have the duty on hops reduced from the present tariff of 15 cents per pound to the old tariff of 8 cents per pound, which existed prior to the enactment of the McKinley tariff bill. The increased duty has proved a hardship to the consumer, and of no benefit to anybody.

The old duty of 8 cents per pound is liberal even from the standpoint of high protection.

We respectfully request that Mr. Hugh F. Fox be recognized by your committee as our representative.

Rothbarth & Sons, 35 Pearl street, New York; T. Rosenwald & Co., 13 Water and 14 Front streets, New York; E. Guttermann & Co., 11 Stone street, New York; William Junge & Co., 11 Stone street, New York; E. Uchtmann, 17 Broadway, New York; Benjamin Schwarz & Sons, 25 Pearl street, New York; Martin Rothbarth & Co., Broad street, New York; S. B. Bing & Sons, 25 Whitehall street, New York; E. Wattenberg Co., 104 Broad street, New York; Carl Ullmann & Co., 17 Broadway, New York; Hugo Reisinger, 38 Beaver street, New York; F. W. Simonds & Son, 18 South William street, New York; Fox & Searles, 35 Pearl street, New York; Lilienthal Brothers, 8 and 10 Water street, New York.

Mr. FOX. This is signed by all the importers in New York, by a number of exporters, and by several of the domestic dealers who do not handle anything but American hops and are not known as exporters. This is a *copy of the petition*; I have the original in my possession here.

Mr. Fitch has already called your attention to the high tariff on hops, but in this connection I would like to say that the average price of the American hops for eleven years—from 1865 to 1875, when the duty was 5 cents per pound—was 41 cents, and for fourteen years—from 1876 to 1889, when the duty was 8 cents per pound—the average price was 27 cents, and for three years—from 1890 to 1893, while the duty was 15 cents per pound—the average price was 26 cents. Thus you see an enhanced duty corresponding with a diminution of the market price of the domestic product. The old duty of 8 cents per pound amounted in 1886 to an ad valorem duty of 49.50 per cent, or 42.60 per cent in 1887, and 43.90 per cent in 1888.

Now, a word in regard to the cost of the production of hops in this country. Opinions vary in New York State according to the section in which a man lives, and the value of his lands, etc., as to the cost of production; but authorities generally consider 14 cents for a pound of hops the average cost of the product of American hops in New York State. On the Pacific coast, where the industry has developed with enormous strides within the last few years, and where they raise over 50 per cent of the total production of the country, the cost is only estimated at 9 cents per pound. The reason for this is largely because of the greater productiveness of the soil. According to the last census bulletin the average production of hops to the acre in New York State was 547 pounds; in California it was 1,648 pounds, and in Washington it was 1,626 pounds, and in Oregon it was 1,155 pounds to the acre, and you can say in this connection it requires probably no more labor to raise 1,600 pounds on the Pacific coast to the acre than it requires to raise 547 pounds to the acre in New York; therefore it will be readily seen how great a disadvantage the New York farmer has in competing against the Pacific coast.

Taking the 14 cents as the cost of production in New York and 9 cents as the average cost of production on the Pacific coast, it will be seen that the specific duty of 15 cents per pound is equivalent, pretty nearly, to an ad valorem tariff of 150 per cent on the basis of the average cost of the product of hops in the United States. In addition to this, in the matter of competition one has to consider the transportation charges, which vary from 1½ to 2 cents per pound. They are $30 to $40 a ton from Germany. Now, in speaking of the steady development—a very large development—of the beer industry in the United States, which Mr. Payne has touched upon, and the constant continued increase in the consumption of hops, we are still raising a surplus of at least 30 per cent of hops over consumption, over and above our requirements. I have here a table of the exports and imports for a term of years running for some thirty years which I will be glad to leave with the committee, and which will of itself demonstrate the fact that we are raising a very large surplus. The only outlet for it is by export to England. During the past three or four years we have annually exported from 60,000 to 70,000 bales of hops to England. Our imports from Germany have only amounted to a few thousand bales. It is seemingly an anomaly to import German hops to a country which raises a surplus, and it is explained, as Mr. Fitch and the other gentleman stated, by the fact that the ideal of our brewers in this country is German beer. Some ten or fifteen years ago there was considerable importation of beer from Germany and England to this country, principally from Germany, and in order to compete against that, which of course went to the high-*class trade, our* brewers found it necessary to use a certain proportion *of Bavarian* and Bohemian hops to give the flavor which was desired

and which was requisite to bring the beer up to the ideal standard of our drinkers generally and make it popular. Except on very rare occasions, I think perhaps once in ten years, when we have had a failure in this country of hops, foreign hops have only been used for this purpose; but in 1886 we had a total failure of the crop in New York State. At that time the industry on the Pacific coast was small, and that year I think the brewers had to import some 30,000 or 40,000 bales of hops to eke out needs. The possibility of the failure of the crop in periods of ten years also has ever been present in their minds, and the prospect of having to pay a duty to the Government on top of the market price in such an event constitutes a constant menace to the consumer.

Mr. PAYNE. Is that the only year it ever occurred?

Mr. FOX. My experience only goes back eleven years. I believe prior to that, early in the sixties, they had such an experience, but of that I am not certain.

Mr. BYNUM. Was there not a partial failure of the crop on the Pacific slope two or three years ago?

Mr. FOX. Yes, sir; there was a partial failure of the crop in Washington. Now, if I am not mistaken, and I believe it is an axiom of commerce that where a country raises a surplus of any commodity that the entire product is governed by the available price for the surplus, it will be readily seen that our market abroad has its entire inspiration from London. England is the only large beer-producing country which habitually or almost constantly has to import hops from abroad in order to meet its own requirement. England imports, I think, on an average, some 120,000 to 140,000 hundredweight of hops from the United States and Germany. The German hops are imported for some purposes and the American hops for other purposes, according to the needs of the individual brewers and the time of year they require them; but it will be seen, of course, that Germany is our competitor in the English market, where the price of our product is established.

The CHAIRMAN. Is there not a very large hop production in England?

Mr. FOX. Yes, sir; very large indeed; but still I think their consumption of hops is enormous, their beer production is enormous, and it is a very precarious crop in England; consequently four out of five years they are obliged to import from other countries. Now the pinch comes in New York State, as I endeavored to suggest a few minutes ago, from the inability of the New York farmers in years of low prices to compete with the Pacific coast. A large share went to the coast because the land, of course, costs a great deal less and the labor is somewhat less and their soil is exceedingly fertile and rich.

The CHAIRMAN. Is not some of the land on the Pacific coast very high?

Mr. FOX. In some parts of Washington it is high, but in the last year or so they have opened up a new valley, which was considered in the nature of an experiment, but it is threatening to revolutionize the entire business. They have succeeded in watering, through irrigation, all that immense tract of country east of the mountains, in Washington, around Yakima, and have succeeded in perfecting it, so that they can raise hops there at the minimum cost and have an immense territory for the development of the industry. They will raise there this year some 13,000 bales.

Mr. TURNER. How many pounds to the bale—180 pounds?

Mr. FOX. About 180 pounds. Now I have here telegrams, and I want to lay special emphasis upon the telegrams addressed to me by

Mr. E. Meeker, of Puyallup, Wash., and the Puyallup Ho
of Washington.

Mr. TURNER. That is between Tacoma and Seattle?

Mr. FOX. Yes, sir; in that rich valley. The Puyallu
raises about 4,000 bales of hops. And when Mr. Fitch said
ested in hops he alluded to this particular company in
interested and my partner is an officer. This company tele

This company believes the high protective tariff on hops unnecessary
a large surplus produced in the United States before the passage of
bill.

Mr. Meeker has been for a number of years the largest
hops in the United States. He was the pioneer of the indu
Pacific coast and, if it is of any interest to this committee
he is a stanch Republican and protectionist. He says:

I favor protective policy of American industry, but oppose increased
as uncalled for. We annually export large quantities from surplus
duction of choice quality.

Now, a few years ago, by reason largely of the competiti
the American and English markets, the English Parliamen
special investigation by a select committee to inquire into
sion of the hop industry in England. The hearing las
months and was a most exhaustive investigation. I have
of the report of that investigation. I only wish to refer t
in which one party said:

We consider California is the most formidable competitor of the
growers.

I have already endeavored to show why the importer fav
tion in the tariff on hops, and in this connection I wish to
statement which was made by Mr. Lilienthal, who is a large
exporter of hops. This was an interview with Mr. Lilien
tember, 1890, after the passage of the bill, and is an interview
in the New York Commercial Bulletin.

NEW YORK COMMERCIAL BULLETIN'S INTERVIEW WITH A. L
EXPORTER, SEPTEMBER 1890.

Mr. Lilienthal, of Lilienthal Brothers, believed that the advanced d
be felt so much at present on account of the high prices current as it
the market is low. Consequently he did not look for any decided effe
tariff bill on the hop market.

"We were not only opposed to raising the tariff," said Mr. Lilienthal
ont and out free traders as far as hops are concerned. We class as a mi
the idea that the prohibitive tariff on hops will be of ultimate benefit
this country. If German hops are excluded from this country they w
larger quantities to England, thus cutting off there the demand for A
which is a normal and healthy one in that market. The result will be
will not look to us for any hops, and our growers will then be at the
consumers in this country, who are able to handle the hop market p
they please. The local hop market derives its whole inspiration from
tations, and should these not exist in the future our hop culture wou
suffer.

"On the other hand, the free importation of German hops into the
which are much more in favor with American than the English brewer
the door to a larger exportation of American hops from this country
natural consequence of which must be a healthy market and one th
profitable to local growers."

Mr. Lilienthal since that time has organized a large comp
fornia for the production of hops and he intends, I believe
or treble the acreage next year.

In passing I wish to say just a word as to why we are favoring a specific duty of 8 cents a pound. It has been suggested to us that there is a possibility of a proposition to consider an ad valorem duty on hops. This we consider would be very detrimental indeed to the interest of all parties concerned, both to the importers and producers, in this country. In the first place hops are peculiarly subject to violent fluctuation in prices, and it is no uncommon thing in a few days for hops to advance 10, 20, or even 30 per cent. Sometimes in the course of a few weeks they may more than double. In 1882 they advanced from 12 cents to $1.20 a pound. Therefore you will readily see under an ad valorem duty a merchant may be almost ruined because of the fluctuation in the price while the hops were in process of transportation from abroad. Apart from that, however, I think it is doubtful if there is any member of the hop trade who could tell from inspecting a sample of hops the exact nativity. It may come from a section in Bavaria, Bohemia, or Austria. Hops are handled in such a way that instead of each individual crop of hops being cured and packed on the farm the practice is for a merchant to buy hops from the farmer and pack and cure them himself, and the result is that he mixes the hops perhaps from different sections in accordance with the requirements of his particular trade. If he wants a certain color or flavor he arranges it in that way, and in a certain sense the basis of manufacture enters into it. Therefore I contend it would be absolutely impossible for any inspector or appraiser to officially determine where the hops came from and what their market price was at the point of production; consequently it would be impossible for him to tell, and there would be the very great injustice of an ad valorem tariff, and it would put a premium upon dishonesty and result in a great deal of confusion to the trade.

Mr. FITCH. May I ask a question at that point? Has there ever been an ad valorem duty placed on hops?

Mr. FOX. There never has.

I wish to read a short paragraph from a handbook of Mr. Meeker. Mr. Meeker has published a handbook on the Pacific Coast which circulates very largely and is thought of very highly.

E. Meeker's handbook for 1893 says:

> There will be this season the largest increase in acreage both in Oregon and Washington that has taken place in any year since the business of hop-growing has been established here. This increase is not confined to one locality, but extends over all of western Washington and Oregon, and in the Yakima district in eastern Washington. This phenomenal increase comes from the deliberate calculations of a class that is in the business to stay; we have the soil and climate to produce hops cheaper than in the older hop-growing districts.

Regarding the fact of overproduction of hops, I may as well state the results and experience of Canada in this connection. Canada raises, or has raised for several years, hops; she has a tariff of 6 cents, but the hops are of an inferior quality, and consequently there is no demand for them for export, and last year while hops on the New York side of the border in Franklin County were selling at 22 and 23 cents a pound, in Prince Edward County and throughout Ontario, Canada, their hops were selling at from 15 to 16 cents a pound, and I myself was exporting American, German, and English hops to Canada for the use of their brewers. They have a very high standard of ale, and they could not possibly produce an article which would satisfy the public demand with the home product. Fortunately, here the quality of our hops meets the demands of the Canada and English brewers, so we have established a trade in these hops, and are able in the ordinary years to get rid of the surplus, but the point I wish to make is, our New York

farmers are in a large measure banking on the possible
their cousins on the other side of the water. In a year w
has a full crop there is no demand for American hops, a
very moderate demand. There is no legitimate export tr
ican hops; consequently, if it had not been for the misfor
many and England in the last three or four years the
country would be selling below the cost of production. Ou
which is now being harvested, is from 240,000 to 250,000
is considered the minimum estimate, and it would have b
able more except for the violent storms of the last two or
which injured the crops in New York State and depreci
probably 25 per cent. Our annual consumption is only
180,000 bales, consequently we are at the mercy of the Lo
in regard to the production of hops.

I do not think of anything further in that particular
Gentlemen, I have only to say if I was an attorney I coul
ter proof to present to a jury of unbiased men than the
have endeavored to present to you, and we have confide
matter will be considered by you judiciously in the light a
the entire community, and we feel we can with perfect co
the case in your hands. If the committee desires to put
to me I am at their service.

Mr. PAYNE. I wish to ask a question or two. The
involved in raising hops is in the picking, is it not?

Mr. FOX. As a general rule; yes, sir.

Mr. PAYNE. The large item of cost is in picking?

Mr. FOX. Yes, sir; it varies very largely in different loc

Mr. PAYNE. Now, the picking is generally done by the
paid on a certain quantity of hops, so whether a man gets
to an acre or 500 pounds to an acre, it costs the same
pounds to pick his hops?

Mr. FOX. Yes; but the proportion is not as large as yo

Mr. PAYNE. There is a little difference in labor in dif
ties?

Mr. FOX. But apart from that, the labor of picking hop
expensive localities, say the central part of New York
estimated at about, I think, 4 or 5 cents a pound, and o
Coast it is estimated at from 2 to 3 cents.

Mr. PAYNE. The average on the Pacific Coast is consta
ing; that is, the cost of labor?

Mr. FOX. As to that point I am not sure.

Mr. PAYNE. Even the Indians demand a much larger re
labor than they used to for picking hops?

Mr. FOX. My impression is this year the hop-growers, t
on the Pacific coast, have made a very cheap arrangem
pickers, possibly on account of the condition of the labor

Mr. PAYNE. But in a normal condition of affairs the pri
hops is constantly increasing on the Pacific coast?

Mr. FOX. Slightly.

Mr. PAYNE. Now, the great consumption of hops is east
Mountains, of course, and the grower on the Pacific slo
capped by freights, is he not, to a certain extent?

Mr. FOX. Yes, to a certain extent.

Mr. PAYNE. That helps to equalize him with the New Yo

Mr. FOX. His freight is on an average about 2 cents a po
that to put his hops on the eastern market.

Mr. PAYNE. I believe the hops of New York are as good as any raised in the world?

Mr. FOX. Well, there is a difference of opinion in that.

Mr. PAYNE. I am asking for your opinion.

Mr. FOX. Frankly I think the average standard of the New York hops is very much below the standard of the Pacific coast, but taking the best of the New York hops I should say they are certainly as good as as any in this country, and probably better.

Mr. PAYNE. I am not confining it to this country. Are not the hops produced in New York considered to be the best in the world?

Mr. FOX. No, sir.

Mr. PAYNE. Where do they produce better?

Mr. FOX. For flavoring purposes they produce hops in a certain portion of Bavaria and Bohemia, and also in one or two districts in England, East Kent for instance.

Mr. PAYNE. But for general use in the brewing business and not for a few hops put in a barrel to flavor beer, do not the American hops bring better prices than any other hops?

Mr. FOX. They rank with English hops as about third or fourth class.

Mr. PAYNE. Do not Bass & Co. use principally American hops?

Mr. FOX. I could not tell you.

Mr. PAYNE. Do not they buy largely of Mr. Clark, of New York State?

Mr. FOX. That is a surmise of his, but as a matter of fact Bass does not know where they come from, that is, any particular place.

Mr. PAYNE. He states emphatically he sells to Bass.

Mr. FOX. As a matter of fact I do not think Mr. Bass has ever bought hops direct from any farmer in this country in his life.

Mr. PAYNE. Mr. Clark says he has been over there and sold them to him; I do not know anything about it, but I am just taking it as I heard it. The hops imported into this country are used largely for flavoring beer and producing a particular flavor.

Mr. FOX. Yes, sir.

Mr. PAYNE. And they are generally put into a barrel of beer in the bung.

Mr. FOX. No, that practice only prevails among ale brewers. Beer brewers as a rule do not believe in the practice of bunging down.

Mr. PAYNE. They only use it for fancy?

Mr. FOX. Yes, sir.

Mr. PAYNE. For brewing they use the American hops? -

Mr. FOX. Yes, sir.

Mr. FITCH. I want to bring out the point that there is no brewer who puts beer in a bunghole of a barrel. They boil the hops and——

Mr. PAYNE. They do not put beer in the bunghole?

Mr. FITCH. I mean the hops; they do not put beer in it, they take it out of it. They do not put any hops in the bunghole of a keg, and nobody who ever knew anything about a brewery would dream that they did.

Mr. PAYNE. Is that all?

Mr. FITCH. Yes, sir.

Mr. PAYNE. So a slight proportion of the hops used to manufacture a barrel of ale or lager is foreign hops. Have you ever made a calculation to see how much of the entire duty of 15 cents a pound was collected out of the brewer for these hops, how much it would be to each barrel of beer for the handful of hops which is put into the barrel?

Mr. FOX. It would vary according to the amounts used. In some cases that would amount to a cent or two, and in others it would amount to 5 or 6 cents a barrel. I believe, estimating upon the total beer product, that it would amount to $1,750,000 on the assumption that each brewer had——

Mr. PAYNE. Have you ever calculated how much the brewer's profit would be if they average $1 or $2 a barrel on the entire production of this country?

Mr. FOX. That is a simple calculation.

Mr. PAYNE. How many barrels of beer, lager, etc., are produced in the country?

Mr. FOX. Last year it was about 32,000,000 barrels, and this year it will be between 33,000,000 and 34,000,000 barrels.

Mr. PAYNE. Now a large proportion put in less than 2 cents worth of foreign hops?

Mr. FOX. A large proportion at least, and I should think the majority of the breweries use no foreign hops except at certain seasons of the year when they are getting out a certain beer for advertising purposes, but the best class of brewers uses quite a large proportion of foreign hops.

Mr. PAYNE. That is a limited number?

Mr. FOX. A limited number, but they represent in proportion to the entire business an important element.

Mr. PAYNE. Limited in the number of barrels?

Mr. FOX. No; I think it is quite a large number.

Mr. PAYNE. Now is it not a matter of fact that the German hops lose strength quicker than the American hops after they become about a year old?

Mr. FOX. Yes, sir; the German hops have very little virtue after they are a year old and are not used by our brewers here except as new hops, but within the last two or three years since this matter was under considerations previously, the brewers throughout the country have built for themselves storage house, for hops which are refrigerators, and they find in that way they are able to keep both the domestic and foreign hops just as good as new for a long time, provided they do not take them out of the storage room before using them.

Mr. PAYNE. The farmers complain that the German hops are brought in in large quantities and thrown on the market to break down the market, and after the market is broken down they are compelled by their proverty to put their hops on the market. Have you had any experience as to that kind?

Mr. FOX. No, sir.

Mr. PAYNE. Never saw them go down suddenly, soon after the opening of the season, of course?

Mr. FOX. Oh, yes; I do not think it was due to that reason.

Mr. PAYNE. Have they not very often gone down below the cost of production?

Mr. FOX. Well, they have been several times during the last twenty years.

Mr. PAYNE. Below 14 cents a pound?

Mr. FOX. Yes, sir.

Mr. PAYNE. And just at that time was there not a very large importation of foreign hops?

Mr. FOX. I believe not; possibly on one occasion, which was in 1886, *when there* was a failure in the New York crop.

Mr. PAYNE. Now, in regard to the Canada hops, if there was no

tariff on hops, and Canadian hops at 15 cents a pound were thrown on the market when the American hops were worth 22 cents, have you any idea that that would reduce the price of American hops on the market?

Mr. FOX. You are assuming, in the absence of a duty on hops, Canada would be still raising hops to the extent it is now.

Mr. PAYNE. You said at one time, with the present duty on hops, they were worth from 15 to 16 cents in Canada and 22 cents in this country. Now, if the duty had been removed, have you any idea the price of American hops would have gone down in this country?

Mr. FOX. If the duty had been entirely removed?

Mr. PAYNE. Yes.

Mr. FOX. I think not, for the reason that the entire production of Canada only amounts to some 7,000 or 8,000 bales, and it would hardly be a sufficient factor in the market to affect it one way or another.

Mr. PAYNE. Is not there a large quantity of land which could be used in raising hops?

Mr. FOX. No, sir; I think not.

Mr. PAYNE. You think it could not be increased beyond the 8,000 bales?

Mr. FOX. Well, to a certain extent they would be at a very material disadvantage, because they can not raise hops in parts of Canada as in this country.

Mr. PAYNE. Why not?

Mr. FOX. I say they can not; perhaps that is an assumption.

Mr. PAYNE. The labor is cheaper?

Mr. FOX. I presume the labor is somewhat cheaper but the soil is not so good. They have only succeeded in raising 300 or 400 pounds to the acre in Canada, whereas the average, I believe, is 560 pounds in New York State. The attempt was made by a gentlemen in New York, Mr. Luce, who is largely interested in New York hops, to raise them in Canada for export. He established two farms, one on each side of the line, and he made money on the New York farm and he lost money on the Canada farm, and he recently sold out at very much below what it cost him.

Mr. PAYNE. In regard to those gentlemen whose telegrams you read, were either of those your former partners?

Mr. FOX. No, sir.

Mr. PAYNE. Are they engaged in exporting hops?

Mr. FOX. Both of them.

Mr. PAYNE. And in importing?

Mr. FOX. No.

Mr. PAYNE. They are officers of this same company you helped to organize?

Mr. FOX. I did not help to organize it. I thought it was a good investment and induced them to part with some of their stock at a little above par.

Mr. PAYNE. And then you went into it?

Mr. FOX. Yes, sir.

Mr. PAYNE. Now, I suppose it would be to the interest of importers to buy hops at a lower price in this country; there would be more margin of profit the cheaper he gets his hops.

Mr. FOX. That is a question I think you can answer as well as I can. I do not know but that is rather a violent assumption; because he buys them cheaper it does not follow the grower in England is going to——

Mr. PAYNE. The cheaper he can get them relatively the more profit he gets, of course?

Mr. FOX. I think not necessarily. I think in that connection it might be useful to say something with regard to the experience of the farmers of the Pacific coast when hops ruled low. They found when hops ruled low that England, with her experience in buying and her shrewdness, instead of coming out here and purchasing their hops in large quantities, sent agents here and induced consignments by making advances against them, and they did succeed in getting numerous consignments from the coast, and that ruined the business for a time for any legitimate exporter. The experience of the farmers in some sections were very unfortunate, and you could not induce them to consign hops again, but in other sections it was different.

Mr. PAYNE. That is very interesting, but it does not answer my question. If hops are relatively lower here, of course that is for the interest of the exporter; he gets more profit.

Mr. FOX. I can not answer that question.

Mr. PAYNE. Can you answer it in the negative?

Mr. FOX. That is a matter of conjecture.

Mr. PAYNE. If they are relatively lower here in the market than where they are sold?

Mr. FOX. The exporter gets more profit.

Mr. PAYNE. I think you might answer that. If they are relatively lower, of course they will sell for more abroad.

Mr. FOX. Inasmuch as the market price is established there, if the price is relatively lower here it must be so in London at the same time.

Mr. PAYNE. Where do you get this market price you speak of, 27 and 26 cents?

Mr. FOX. I got it from the only source of information we have. There is a concern in New York called the Hop-Reporting Company which makes it a business to supply statistics to the trade and producers, consumers, etc. I have their tables with me, which I shall be pleased to give you.

Mr. PAYNE. Are those the avearge for each season?

Mr. FOX. They are figured by months, giving the highest and lowest price for each month, and my figures show the average of those averages.

Mr. PAYNE. I wish you would give the average for each year and leave it with the reporter?

Mr. FOX. Yes, sir; I will do so.

Mr. PAYNE. Do you know any other farm product that has not decreased in price a greater percentage than hops?

Mr. FOX. My knowledge in regard to farm products is absolutely nothing.

Mr. PAYNE. You do not know anything about it, not even as a matter of general intelligence?

Mr. FOX. If you chose to put it in that way. I certainly have not followed the fluctuations in other farm products. I know in a general way that wheat is little lower and corn is a little lower, but apart from that I can not answer your question.

Mr. PAYNE. Do you know any other hop-grower, except this company of which you speak, who wants the reduction in duty?

Mr. FOX. I am informed that the growers in California as a class are in favor of reduction, but I mentioned Mr. Lilienthal, who is a large hop-grower. I rather expected that the California people would be represented here to-day to make some statement.

Mr. PAYNE. We have some in the House who do not understand it in that way. Perhaps your information might enlighten them.

Mr. FOX. I was informed, I did not know positively, that they would come here and make that statement.

Mr. PAYNE. Are these the prices you refer to [referring to paper]?

Mr. FOX. Those are the prices for a term of years. Those are the prices at the opening of the season, those for the middle of the season, and those are the prices for the past year.

Mr. PAYNE. The importation of hops has steadily decreased since the McKinley bill was passed?

Mr. FOX. Yes, sir.

Mr. PAYNE. The importation of foreign beer is very slight compared with the consumption?

Mr. FOX. I believe it is, but my knowledge is very vague.

Mr. PAYNE. The amount of increase in the importation of foreign beer has been slight?

Mr. FOX. I believe so, but I am not informed as to that; I have no figures.

Mr. TARSNEY. How much of these foreign hops are imported?

Mr. FOX. The importation in the last two or three years was a trifle over 6,000 bales of 400 pounds. The American hops are in bales of 180, so that represents a little more than double.

Mr. FITCH. What proportion does that bear to the amount of American hops raised?

Mr. FOX. This year we raised about 240,000 bales of American hops, which is just about the same as last year, and we imported the equivalent of 12,000 bales of American hops.

Mr. GEAR. Are you advised as to the cost of the production of hops in foreign countries—say England?

Mr. FOX. The cost is estimated in England at 20 cents a pound, owing largely to the church tithes. The cost in Germany varies considerably, but I believe it is as much certainly as on the Pacific coast on the average, though I am not quite sure on that point.

Mr. GEAR. You said these imported hops were used for flavoring purposes?

Mr. FOX. Yes, sir.

Mr. GEAR. And the amount would be about 6 cents a barrel added to the cost of the beer?

Mr. FOX. Where they use it in large quantities, but in some cases less.

Mr. GEAR. What percentage of the production of the beer industry in this country use these hops for flavoring?

Mr. FOX. No, sir; I can not say; but I should think probably one-fourth or one-third.

Mr. GEAR. You said there were only 12,000 bales of foreign hops imported. Is that about one-fourth?

Mr. FOX. I understood you to ask as to the proportion of the breweries of the country.

Mr. GEAR. I meant product of the breweries, not the number of breweries, but what proportion the hops constitute the product of American beer?

Mr. FOX. The consumption is about 180,000 bales, and the importation for the last few years has been equivalent in American bales to a little over 12,000.

Mr. GEAR. Just about 7 per cent of the hops used in the United States are imported hops?

Mr. FOX. Yes, sir. It is a little more than 12,000 bales. The English bale is 400 pounds as against 180 pounds; therefore it is a little more than 12,000.

Mr. GEAR. It would add, then, 6 cents a barrel to the cost of the beer to the parties who use it?

Mr. FOX. Some use it only in a very small proportion, perhaps 5 or 10 per cent, and some 20 and 25 per cent.

Mr. GEAR. It is about 6 cents a barrel?

Mr. FOX. Six cents would be the maximum.

Mr. GEAR. Then this tariff would accrue directly against the manufacturer of beer?

Mr. FOX. I should say so.

Mr. GEAR. It would not help the consumer who buys beer by the glass?

Mr. FOX. It would not in the price of the beer.

Mr. GEAR. Moreover, as regards the flavor, that would only affect about one-third or one-fourth of the product, so that the other three-fourths would drink beer made purely from American hops and would be satisfied?

Mr. FOX. I do not know as to them being satisfied. In some sections of the country there is a good deal of dissatisfaction in regard to the beer. The industry in some locations has been overdone and prices reduced to a point where beer could not be made and be satisfactory. Take Chicago, there has been great complaint of the quality of the beer. I am not speaking now of the few leading breweries in Chicago, but treating it generally; it has been brought in from other sections there.

Mr. GEAR. What do you mean by other sections, from other parts of the country?

Mr. FOX. Milwaukee, for instance.

Mr. GEAR. That is fancy. Some fancy the Milwaukee beer, and some fancy the beer of Northern towns.

Mr. FOX. I do not know.

Mr. GEAR. That is the result in my country; some of our people prefer the home beer.

Mr. PAYNE. I wish you would figure the average price for the past three years and three years prior to 1890, and see whether the prices do not average for the three years prior to the passage of the McKinley act 20 cents a pound, and for the last three years 26⅔ cents, according to the report you present here.

Mr. FOX. Yes, sir.

The CHAIRMAN. Is that imported hops?

Mr. FOX. No; domestic hops.

The CHAIRMAN. The consumer has been paying the tariff then?

Mr. FOX. I should say in this connection that we have figures for the last two years by months, and the high prices extended over a very short period, so when the reduction came consequently it reduced it to 26 as an average price instead of 26⅔ cents.

The CHAIRMAN. During that time had not the price of hops abroad been higher than previously?

Mr. FOX. During the last three years?

The CHAIRMAN. Yes, sir; the price of hops in the English markets?

Mr. FOX. During the last two years, certainly; prior to that I do not remember. (Speaking to some one.) Do you remember as to that?

A BYSTANDER. Yes; that is so.

Mr. TARSNEY. What is the excess of the exportation over the importation in bales?

Mr. FOX. Well, figured out in American bales for the last three years, it would be about 45,000 to 48,000 bales.

Mr. BYNUM. That is, you export about 70,000 bales and import about 12,000?

Mr. FOX. It was a little more than 12,000 last year, and probably 15,000 the year before.

The CHAIRMAN. We export both from New York and the Pacific coast?

Mr. FOX. Yes, sir.

The CHAIRMAN. About one-third of last year's crop, according to your statement, had to be exported?

Mr. FOX. Yes, sir.

The CHAIRMAN. That fixes the price, of course, for the home crop also?

Mr. FOX. Yes, sir.

The CHAIRMAN. So, if the New York farmer is distressed, he is distressed by the competition of the Pacific coast?

Mr. FOX. Undoubtedly.

The CHAIRMAN. What is the average price of hop lands in the Puyallup country, where you are interested?

Mr. FOX. I believe that land is valued at about $500 an acre.

The CHAIRMAN. And in New York what is the price of good hop land?

Mr. FOX. I think that is given in the census bulletin here. I do not recollect it exactly. I do not think it is as much as that to-day. There has been an enormous reduction in the value of land in the last ten years in New York.

The CHAIRMAN. As much as $75 an acre?

Mr. FOX. Much more than that; I should say $200 or $300 an acre. I am not speaking of the poorer sections, but around Waterville, Cooperstown, Oswego, and Oneida County I should say the value of the land is $200 an acre; perhaps more.

Exports and imports of hops, United States of America, in bales of 180 pounds and 400 pounds.

Crop of—	Exports, bales 180 pounds.	Imports, bales 400 pounds.
1869	69,463	418
1870	56,453	.....
1871	24,577	.....
1872	6,095	5,800
1873	9,315	20,885
1874	1,638	13,444
1875	15,995	.....
1876	46,116	.....
1877	44,493	.....
1878	78,949	.....
1879	34,749	.....
1880	43,954	2,772
1881	43,027	2,094
1882	30,025	2,708
1883	38,945	7,647
1884	80,402	1,592
1885	38,361	4,696
1886	67,296	18,499
1887	1,450	48,508
1888	61,205	9,025
1889	32,758	17,396
1890	34,039	9,437
1891	65,224	7,212
1892	64,238	6,538

NEW YORK, *September 6, 1893.*

Opening, highest, and lowest prices in New York market for choice "State" hops for the last 31 years.

[Hop Reporting Company, 15–25 Whitehall street.]

Crop of—	Prices in September.			
	Opening.	Highest.	Lowest.	Average.
	Cents.	*Cents.*	*Cents.*	*Cents.*
1862	25	25	15	20
1863	12	27	7	17
1864	40	50	15	32.5
1865	55	70	55	62.5
1866	60	70	60	65
1867	65	65	30	47.5
1868	30	30	10	20
1869	20	27	16	21.5
1870	35	35	10	22.5
1871	55	65	55	60
1872	55	55	30	42.5
1873	50	55	25	40
1874	50	50	20	35
1875	25	25	15	20
1876	33	38	9	23.5
1877	15	15	10	12.5
1878	18	18	12	15
1879	36	47	26	36.5
1880	35	35	21	28
1881	25	50	23	36.5
1882	55	1.10	27	68.5
1883	32	38	23	30.5
1884	30	30	10	20
1885	13	30	10	20
1886	30	30	15	22.5
1887	22	22	13	17.5
1888	27	31	16	23.5
1889	16	28	12	20
1890	43	48	17	32.5
1891	15½	32	15½	23.75
1892	22½	26	21½	23.75

Average for 31 years, 31 cents.

Respectfully yours,

HOP REPORTING COMPANY,
EMMET WELLS,
General Manager.

HOPS.

(Paragraph 279.)

STATEMENT OF HON. ADOLPH MEYER, OF THE FIRST DISTRICT OF LOUISIANA.

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I do not wish to speak on this question, but with your permission I have a communication from the brewing interest in the city of New Orleans. They addressed me in this way.

NEW ORLEANS, *September 5, 1893.*

DEAR SIR: The Committee of Ways and Means being now in session to deliberate on the revision of the tariff, therefore, we, the undersigned brewers of New Orleans, La., would respectfully ask you to use your influence to bring about a reduction in the duty of 15 cents per pound on hops imported into this country, now being imposed under the McKinley bill.

This duty is iniquitous, is practically prohibitory, and is in excess of the cost of production. We would urge you to use all the means in your power to have this

duty decreased to 5 cents per pound, which would afford ample protection to the farmer and not prove so oppressive to the consumer.

We will appreciate your efforts to assist us, and remain,

Very respectfully,

NEW ORLEANS BREWING ASSOCIATION,
PAT BLAISE,
President.
AMERICAN BREWING COMPANY,
ED. G. SCHLIEDER,
President.
JACKSON BREWING COMPANY,
VALENTINE MERZ,
President.

Hon. ADOLPH MEYER,
Washington, D. C.

Mr. MEYER. This petition represents about ten breweries in the city of New Orleans, and embraces all of those of any importance. I would simply state that the consumers in New Orleans, those who consume the beer, have a pretty good knowledge of its qualities; and our breweries use more foreign hops in the preparation than almost any other section of the country. I am informed they use about one-half hops, which are imported; therefore their interests, of course, are more important than that of many others.

Mr. GEAR. Is not that owing to the fact that they get hops cheap from sail vessels from the continental ports?

Mr. MEYER. I think it is because they find it necessary for making the best quality of beer.

Mr. PAYNE. Have you any information whether the retail price per glass is the same in New Orleans as it is in Northern cities?

Mr. MEYER. I think it is. That is all I have to say.

Mr. REED. Who do you mean by the consumer?

Mr. MEYER. I mean the men who drink it.

HOPS.

HOP CITY, COOPERSTOWN, N. Y., *September 10, 1893.*

SIR: I am the largest hop-grower in the State of New York; have always been a Republican, and a firm believer in protection to American industries, and believe so still; but as I see the brewers are trying to get the duty reduced on hops, I will say that I, for one, will consent to have the duty all taken off from hops if Congress will take it all off from foreign beer; for if this is done it will compel the great bulk of the brewers in this country to make better beer, which will consume more hops, or else the foreign beers, which are so much superior, will drive them out of business. But unless the duty is taken off from beer, or reduced, it is not fair to reduce it on hops.

Yours, truly,

JAMES F. CLARK.

POTATOES.

(Paragraph 283.)

NEW YORK, *September 5, 1893.*

SIR: As large importers of potatoes from Great Britain, we write to ask that in the coming revision of the tariff you will give consideration to this article and reduce the present very high duty.

There arrived in this city last season 850,000 bags of about 168 pounds each, the specific duty paid was 25 cents per bushel of 60 pounds, net. These potatoes cost on an average 70*s.* sterling, per ton f. o. b., consequently the duty is at the rate of 55 per cent ad valorem, and we are certain you will agree with us that this is too high. Please remember there are about 65,000,000 of people in this country, all of whom eat potatoes two and three times daily. When we have full crops here it is out of the question to import potatoes, but when our crop is short the foreign potatoes must come in, otherwise the prices which people would be obliged to pay would be exorbitant.

Sixty-two millions of consumers against 3,000,000 of producers and these 3,000,000 have been very thoroughly protected in the past at the expense of the 62,000,000 of consumers.

We are also importers of onions from Spain and Egypt. These have paid specific duty of 40 cents per bushel of 57 pounds, and on their average cost this has equalled about 100 per cent ad valorem on the Spanish onions and 80 cents ad valorem on Egyptian, which you will acknowledge is also very high. All these onions are eaten by poor people and we trust you will also reduce the duty on same. The revenue derived from the duty on both foreign potatoes and onions is so small that it does not enter into serious consideration and a reduction in both articles would benefit the masses.

Very truly yours,

SGOBEL & DAY.

CANNED VEGETABLES.

(Paragraph 287.)

NEW YORK, *September 19, 1893.*

SIR: The duty from 1883 to 1890 was 30 per cent on the vegetables alone. The tins, cases, packing charges, and transportation to the seacoast were nondutiable, making in reality an average duty of about 15 per cent on the total value of the goods.

The McKinley bill has increased duty on pease, mushrooms, *flageolets*, and haricot verts to 40 per cent on total cost, including tins, cases, and packing, the Macedoine or mixed vegetables composed of peas, *flageolets*, string beans, carrots, and turnips, were made dutiable at the rate of 45 per cent, being nonenumerated. Truffles were also classed among the none numerated vegetables.

We earnestly recommend to your consideration the benefit of a specific, instead of ad valorem duty. This has worked very well on sardines, and has entirely prevented fraud.

Foreign preserved vegetables with very few exceptions are sold in this market in tins of 500 grams or 18 ounces called one-half tins, The specific duty or $2.50 per case of 100 tins would amount to 25 per

cent of the average value of goods imported. This would be about 10 per cent ad valorem more duty than these goods paid before the McKinley bill.

The other sized tins imported, in very small quantities, are whole tins, one-quarter tins, and one-eighth tins. Specific duty could be made pro rata.

We mean by the designation of canned vegetables, pease, mushrooms, *flageolets*, haricot verts, mixed vegetables, truffles, and artichokes.

Truly yours,

LA MANNA, AZEMA & FARNAN.

We respectfully present the following:

Articles.	Tariff act of 1890.			Rate suggested.
	Schedule.	Paragraph.	Rate.	
Beans	G	270	40 cents per bushel	¼ cent per pound.
Lentils	G	288	25 per cent ad valorem.	¼ cent per pound.
Raisins	G	302	2½ cents per pound	1 cent per pound.
Almonds (not shelled)	G	306	5 cents per pound	3 cents per pound.
Filberts (not shelled)	G	307	3 cents per pound	1 cent per pound.
Walnuts (not shelled)	G	307	3 cents per pound	1 cent per pound.
Sage leaves	G	326	3 cents per pound	Free.

Sage leaves were free under the tariff act of 1883, see free list, paragraph 1051, "Herbs, leaves," etc., "not enumerated or provided for in this act."

Respectfully yours,

HENRY NORDLINGER & CO.

FISH.

(Paragraph 298.)

DETROIT, MICH., *September 13, 1893.*

SIR: A large portion of the supply of the markets of our Northern cities along the boundary line and the northern tier of States in fish is imported from Canada. As fish is a cheap and healthy food that enters largely into the daily consumption of our poorer classes of people, we recommend that all fresh-water fish, fresh, frozen, smoked, and salted, be placed upon the free list. We believe that the duties at present collected on a portion of the fish does not amount to a large sum, but it tends to throw the business into the hands of a certain monopoly at Buffalo N. Y. By placing fish on the free list without any conditions it would make the fish cheaper to the consumers and place all the dealers in our cities on an equal footing. Yours truly,

DETROIT FISH CO.

Similar communications were received from J. B. Jessup and A. J. McAlpine, of Detroit.

NEW YORK, *September 13, 1893.*

SIR: I beg to call your attention to the schedule relating to fish, and to some of the effects damaging to the trade interests of this country resulting from the duties and regulations now existing.

At the expiration of the treaty of Washington the duties prior to its existence were reinstated, and in the present act they were increased at the rate of 50 per cent increase on dry salt fish, and something less on pickle cured, while fresh and frozen fish, previously always free, were also assessed, though at a smaller percentage. I wish to be understood, in my remarks to follow, as referring solely to the products of the colony of Newfoundland, and the condititons of trade between that colony and the United States, irrespective entirely of the fisheries and trade of the Dominion of Canada.

First, I would suggest that as fish products of this description are consumed almost entirely by the poorer classes, that the imposition of duty is a heavy tax upon a class of people least able to bear it.

Secondly, it is necessary to understand the relative position of the products of the Newfoundland fisheries brought into this country, and the products of the American fisheries. To be familiar with the difference in cure, and the resulting different purposes served, and with the fact that, with the exception of pickle-cured fish, 95 per cent of all the Newfoundland fish entered here is again exported to markets where American fish can not be used, and that hence neither in home consumption nor in foreign trade is the Newfoundland an injurious or serious competitor of American fish. And of the pickle-cured qualities, a smaller but still large proportion is similarly exported. This country has been used as a convenient distributing center, or way station, for Newfoundland fish, and the existing tariff results in very little revenue to the country, as the fish can by law be entered in bond, and still be distributed to its foreign destinations. However, the inconvenience and difficulty of carrying on the business under the additional expense and detail required by the bonding regulations seriously hampers and diminishes its volume, and thereby deprives many good American citizens of the emoluments accruing from the transferring, storage, insurance, and freighting which they formerly enjoyed. As evidence of the accuracy of this statement we would call attention to the fact that since the imposition of the duties, which have necessitated fish for export to be handled here in bond, there have been started two lines of steamers from the British provinces to the West Indies for the purpose of carrying fish to those markets direct, all of which formeriy used to come to New York, and be distributed from here largely in the American lines of steamers plying to Cuba, and other West India, Central and South American ports.

Thirdly. The colony of Newfoundland imports all its breadstuffs, provisions, leather, butter, and other products, the necessaries of life, as nothing of the sort is produced within its own boundaries. This trade in volume amounts to about $3,000,000 per annum, and the products are all such as the United States is eminently fitted to supply if the interchange of trade was facilitated to the greatest possible extent. The Newfoundland tariff is a very low one, for revenue purposes only, and makes no discrimination against any of the products of the United States, admitting them on a parity with those from Canada, Great Britian, or any other country. The Dominion of Canada *is now* a very serious competitor for the trade of Newfoundland *in breadstuffs*, provisions, butter, and all the principal articles of import, *maintaining* a fleet of five steamers from Montreal to St. Johns, New-

foundland, while it is with difficulty that two small boats are maintained on the line from New York to St. Johns during six months of the year, while there is only freight enough for one boat during the other six months. If the products of the Newfoundland fisheries were admitted here free of duty there would, of course, be some increase in the domestic consumption of their fish, but there would be a very much larger increase in the quantity, which would come here for distribution to foreign markets, and it is an indisputable fact that the greater volume of products of theirs which can be drawn here would result in the greater increase of American exports in return, as the proceeds of all such products sold both for domestic consumption and export, would be invested in American flour, grain, provisions, etc., for return shipments to that colony. At the present time more than 50 per cent of this business is done by the millers and merchants of Canada, whereas this country should do certainly 90 per cent of the whole of it.

Fourthly. These prohibitory rates on fish were imposed at the request of the small fishing element located mainly in Massachusetts, who, finding themselves, at the expiration of the Washington treaty, unable to procure bait and ice and other supplies at British provincial ports necessary to the prosecution of their bank fisheries, wished to retaliate and coerce the British provinces into according them those privileges without offering any proper consideration for them; and, in order to induce Congress to take up their cause, they raised at that time a great hue and cry about the competition of English fish with the American in these markets. This was purely a political makeshift, as no such competition ever did, or ever can exist, owing to the absolutely different characteristics and qualities of the two products. Incidentally, however, I may say that Newfoundland waived all charges for license to purchase bait and ice in all the harbors in that island, and offered all the privileges of their ports to American fishermen for two seasons, for no return whatever, in the expectation that the conditions now hampering the handling of fish in this market would have been removed in the Mills tariff bill, and I may say that Senator Mills informed me at that time that he, if not indeed his party, fully believed that fish, being the food of the poor people, should be free of duty, but that at that time it was deemed inexpedient to incur the hostility of the Eastern element. That hostility has, we believe, in a large degree expired from natural causes as the conditions have now become too well known for the legislature to be longer deceived by such a plea.

We are, very respectfully, yours,

HARVEY & OUTERBRIDGE.

ALMERIA GRAPES.

(Paragraph 299.)

STATEMENT OF MR. E. L. GOODELL, OF 103 PARK PLACE, NEW YORK CITY.

MONDAY, *September 4, 1893.*

MR. CHAIRMAN: I come here before you this afternoon by appointment of your honorable chairman to lay a few facts before you concerning the importation of the Almeria grape into the United States. The grape will probably be better known to you if I call it the white or Malaga grape. The position I occupy is not at all a partisan one, for

the simple reason that I am very heavily interested in the California fruit trade, and therefore, necessarily, in California grapes, and I will also say I am very much interested in our domestic products, so that whatever I say to you this afternoon, with all this in view, is decidedly not to the injury of our domestic producers, because, if anything, my interests are more concerned with our domestic growers than in the cause of the Almeria shippers.

I want to go into a few details in connection with the grape business, because, perhaps, you gentlemen have no knowledge of the industry as it now stands. Almeria is a little shipping point on the Mediterranean Sea, about 100 miles from Gibraltar, and is accessible only by steamer. The interior is fully blocked by very rough country and very high mountains, and no railroad has penetrated it for the present, and probably never will.. The country which produces these grapes is about 60 square miles in area.

Mr. GEAR. This is in Spain?

Mr. GOODSELL. Yes, sir; in Spain. I intended to cover that very essential point. Outside of this particular spot of ground these grapes will not grow. The production amounts to 800,000 barrels annually, and in explaining in regard to the barrels I will say that they are, in our sense of the term, a half barrel, being about the same as a flour barrel cut in two. The shooks are manufactured in the United States and sent to Spain. These grapes are of a very hardy character and they are harvested during the months of August and September. The growers cut them from the vines at this period, for the reason storms pervade Spain during the later months, and a storm would simply prevent all operations, for the reason that after a rain it does not mature and does not keep. These grapes are packed in a most unique manner in ground cork dust. The dust is not of the consistency of flour, but is about the substance of sawdust. When put into the barrels in proper condition and not having been rained upon, the grape, strange to say, although conceded by all agriculturists the most tender of all fruits, will keep for almost any length of time up to about the first of May. They have to be shipped, as I say, during the months of August and September and the first part of October as storms prevent doing this thereafter. But on arrival in this country very few find any consumption for the reason that the domestic grape is superior in flavor and quality, and in fact almost all arrivals, in fact all of the arrivals, that are brought into the port of New York, which is the main source of entry, either go to very far Western points and Canada, where there are no grapes of the domestic kind produced, or they are held by the speculators and merchants in New York, Philadelphia, and Boston for the market that follows during the months of January, February, and March, when all other green-fruit products are out of supply. Therefore I contend that the Almeria grape in no way interferes with the fair sale at a just value of our domestic product, and as I sell all of these I think I am in a position to speak intelligently on that subject.

The domestic grape commences to reach our market during the months of August, September, October, and November. After that time they cease to supply the trade, for two reasons. In the first place, our weather is unsuitable to the continuance of their being harvested, and, in the second place, the nature of the grape is such that it does not keep, and during the month of November we rarely get real sound, merchantable, domestic grapes. Therefore, while the grapes of Spain *and the* grapes of the United States are, commercially speaking, *"grapes," they* do not compete with each other so as to injure the sale

of the domestic fruit to any perceptible extent. The grapes from Spain, as I stated, are packed in cork dust in half barrels, each barrel containing about 40 pounds or thereabouts. The duty prior to the McKinley bill was an ad valorem charge of 20 per cent upon the estimated cost of the grapes in Almeria. As no cost can be estimated for this fruit, for the reason that none is ever sold or shipped for account of producers in Almeria and the surrounding section, I contend that that is an unsatisfactory way of taxing the imports of that fruit. When the McKinley bill was put into operation, none of us having been given an opportunity to present the facts before the proper committee having the bill in charge, and how incorrect the bill is in one particular, so far as the Almeria grapes are concerned, I will say that in making up the taxable duty on these the bill reads: Sixty cents per barrel of 3 cubic feet. whereas, as a matter of fact, the Almeria barrels do not contain but 2.05 cubic feet, and in consequence of which impractical action on the part of those who made this bill, a protest has been successfully carried through the board of appraisers, and we have been compelled to pay duty only upon the proportion of 2.05 cubic feet instead of the 3 cubic feet, so that, while I do not pretend to advise this committee, I simply suggest that any change that is made should be made upon the basis of a specific duty, as no values can be arrived at, this being determined wholly upon the merits of the fruit when it lands here in America.

Mr. DALZELL. Are these barrels invariably of one size?

Mr. GOODSELL. These barrels, with the exception possibly of one-tenth per cent, are barrels containing 25 kilos, and I intended to say that the McKinley bill reads, 60 cents per barrel of 25 kilos, containing 3 cubic feet.

Mr. GEAR. The kilo being how much—2.20 pounds?

Mr. GOODSELL. Yes, sir.

Mr. DALZELL. What fixes the capacity of the barrel, is there anything, except custom?

Mr. GOODSELL. The shook manufactories do it practically, inasmuch as their machinery made for shooks are of one character.

Mr. DALZELL. How much do they pay a pound?

Mr. GOODSELL. Our old duty was 20 per cent, and averaged about 29½ cents per barrel——

Mr. PAYNE. A kilo is 2.5 pounds, and these small barrels——

Mr. GOODSELL (continuing). So that the McKinley bill increases the tariff just double or a little more than double.

Mr. PAYNE. But you say practically it did not, because these barrels are smaller than 3 cubic feet?

Mr. GOODSELL. That is an error of the bill, not the fault of the constructor.

Mr. PAYNE. On these same barrels what do you pay now?

Mr. GOODSELL. We did pay 60 cents, but we appealed to the board of appraisers, and the board of appraisers decided that there should be a rebate of 19 cents, that being about the proportion.

Mr. PAYNE. So you pay 41 cents?

Mr. GOODSELL. We will probably pay that. We have to pay, when we take the grapes out of the custom-house, 60 cents, and protest the entry, and it goes through the appraisers, and we will get a rebate of 19 cents per barrel.

Mr. PAYNE. Do you import all of these grapes?

Mr. GOODSELL. I handle the bulk of them.

Mr. PAYNE. As an importer?

Mr. GOODSELL. Yes, sir.

Mr. PAYNE. Are the Almeria grapes produced anywhere else except in this territory of which you speak?

Mr. GOODSELL. No, sir.

Mr. DALZELL. Nowhere else in the world?

Mr. GOODSELL. No, sir.

Mr. PAYNE. Are you not incorrect in stating that the domestic grapes are not used after the 1st of November?

Mr. GOODSELL. They are not shipped after the 1st of November. All the shipments——

Mr. PAYNE. Are not you mistaken in that?

Mr. GOODSELL. I do not think so.

Mr. PAYNE. I have had very fine domestic grapes after the holidays.

Mr. GOODSELL. These are kept in cold storage. The buyers of these Almeria grapes take and keep them in cold storage.

Mr. PAYNE. Is there any difficulty in keeping domestic grapes in cold storage until spring?

Mr. GOODSELL. I have never seen any of the domestic grapes on the market after the holidays.

Mr. PAYNE. I have seen them after the holidays.

Mr. GOODSELL. No, sir; not of good quality.

Mr. GEAR. How do the prices of these Almeria grapes compare with the prices of domestic grapes?

Mr. GOODSELL. The Almeria grapes are high in price because of the fact a small dealer can purchase a few barrels and put them into stock and not have them knocked down in price, because——

Mr. GEAR. Do not they usually bring 10 or 15 cents a pound?

Mr. GOODSELL. The price last season averaged about $4.50 a barrel.

Mr. GEAR. That would be 12½ cents a pound?

Mr. GOODSELL. Yes, sir.

Mr. GEAR. What is the average price of the domestic grape?

Mr. GOODSELL. The domestic grape varies according to a number of conditions.

Mr. GEAR. Well, say a good Concord grape?

Mr. GOODSELL. They ought to bring 5 cents.

Mr. GEAR. Now, Catawba?

Mr. GOODSELL. They ought to bring 8 cents and Delaware about 10 cents.

Mr. GEAR. The Delaware is a fancy grape?

Mr. GOODSELL. Yes, sir.

Mr. HOPKINS. Is it not a reason that these grapes are carried so long on account of the manner in which they are put up?

Mr. GOODSELL. I think that has a good deal to do with it. I think that the nature of the skin of the grape is such that it helps more than anything else. Now, I think I answered Mr. Dalzell's question as to whether there was any grape of a similar kind grown in any other part of the world by saying "no," and I must qualify that by saying that in California there is produced what is called a Malaga grape. It is similar in kind, variety, and appearance to this Almeria grape.

Mr. GEAR. Is it not better in quality?

Mr. GOODSELL. It is no better in quality.

Mr. GEAR. We prefer them in the West.

Mr. GOODSELL. You know the Malaga grape?

Mr. GEAR. Yes, sir.

Mr. GOODSELL. This Malaga grape, of which I am now handling large quantities from California, has this fault: it does not keep. We

have great difficulty in getting this fruit from California in refrigerator cars that are on the way under special fast service not to exceed ten or twelve days.

Mr. PAYNE. Put up in the same way?

Mr. GOODSELL. No, sir; these are packed in crates, generally 20 pounds to the crate, and the crates are divided into four compartments, and in each basket are 5 pounds of grapes. The question has been thoroughly canvassed by me in California with the producers there and some experiments have been made with the cork dust, but we find that the same grape of the same nature—and the producers in California tell me that the same slip originally brought from Almeria is the father of all the Malaga grapes that are grown in California—they tell me that the skin of the grape does not toughen any.

Mr. GEAR. In other words, the California is the more delicate fruit?

Mr. GOODSELL. Yes, sir.

Mr. PAYNE. Do they bring the same price when they are sold in the same condition?

Mr. GOODSELL. The average price for the California grape has been about $1.25 per single crate of 20 pounds; that is about six and a quarter cents a pound.

Mr. DALZELL. Does this entire product from Almeria come to this country?

Mr. GOODSELL. No, sir; the total product of Almeria will be this season about 800,000 barrels. The continent of Europe takes about all the crop with the exception of perhaps 250,000 barrels, which will be the average quantity that has come to America for the last five years.

Mr. GEAR. They are considered rather a luxury?

Mr. GOODSELL. They are considered a fruit by the dealer, a special fruit, that is on the market when all other fruits of that same character have gone out of the market.

Mr. PAYNE. How does the price average in this country for the last three years compared with former years?

Mr. GOODSELL. The price for the last three years will average about $4 a barrel, there being one bad year in the three, which cut down the average standard price.

Mr. PAYNE. Well, prior to that, what did it average?

Mr. GOODSELL. The average prior to that time was even less than that. The grape has become a very popular one for the reason the trade which handle it feels perfectly secure in purchasing it, which they do not when they buy the domestic product.

Mr. HOPKINS. Who are the parties who buy these grapes?

Mr. GOODSELL. I was just going to touch on that. It is a singular fact, that so far as the New York trade is concerned, and I will not say that this does not apply to outside points, those in the trade who buy the Almeria grape, with the exception, perhaps, of 10 per cent, do not deal in the domestic grape, the two lines of trade seemingly having been drawn to the extent that the dealer who makes the Almeria grape a specialty finds it impossible to handle the domestic product.

Mr. HOPKINS. Who are these people who consume the Almeria grape?

Mr. GOODSELL. Do you mean the people who buy, or the people who consume them?

Mr. HOPKINS. The people who consume them?

Mr. GOODSELL. The people who consume them, as this gentleman has said here at my right, are the wealthier class of fruit-eating public. They are considered to be more of a luxury by that class of people, and I

venture the opinion, which I can not give any authority for, that the poor people rather prefer the domestic fruit.

Mr. PAYNE. What proportion of the importation of grapes does the Almeria grape constitute?

Mr. GOODSELL. There are no other grapes imported except the Almeria.

Mr. DALZELL. At 60 cents a barrel you get $150,000 revenue out of it?

Mr. GOODSELL. Yes, sir; I think so.

Mr. HOPKINS. That is what I was going to find out, the amount of revenues taken in by that importation?

Mr. GOODSELL. From that you want to deduct the refund we are now just receiving on the duties we paid last year.

Mr. PAYNE. How much was it under the law prior to the McKinley bill?

The CHAIRMAN. It was $137,000 last year.

Mr. GOODSELL. The receipts last year were a little less than the year before.

Mr. PAYNE. How much was it under the 20 per cent duty?

Mr. GOODSELL. For rough figures you can take, say, 30 cents a barrel.

Mr. PAYNE. You do not remember the gross amount in 1889?

Mr. GOODSELL. The amount of duty? No, sir; I had no means of finding that out.

Mr. PAYNE. Well, we have.

The CHAIRMAN. I do not understand how you take 30 cents a barrel at 20 per cent duty when you said the barrel was worth $4?

Mr. GOODSELL. It is not a question of what the barrel is worth here; it was a question of the custom which established the value at the point of shipment.

Mr. GEAR. That would be $1.50 a barrel at the point of shipment?

Mr. GOODSELL. Yes, sir. The domestic grape growers, I think; I have not talked with them to any very great extent, but I think they fully appreciate the fact that the Almeria grape does not injure the sale of the domestic product at all.

Mr. GEAR. What is the freight per barrel from Almeria to New York?

Mr. GOODSELL. The freight is 40 shillings per ton of 40 barrels.

Mr. GEAR. That is 25 cents a barrel?

Mr. GOODSELL. Yes, sir.

Mr. GEAR. That, added to the valuation, would make the cost $1.75 in New York?

Mr. GOODSELL. No, sir; estimating the value at about $1.50 in Almeria and freight 25 cents and the duty 60 cents would make the total cost $2.35.

Mr. GEAR. But you take off 19 cents from the $2.35?

Mr. GOODSELL. Yes, sir; but you have not made any allowance for the cost of the cork dust and barrel, and that is a very material factor, the shooks having to be brought from the United States.

Mr. GEAR. But that is included in the prime cost?

Mr. GOODSELL. No, sir.

Mr. GEAR. You add the cost of the shooks and the barrel?

Mr. GOODSELL. The cost of the barrel and cork dust is about 20 cents.

Mr. GEAR. It looks to me like it was undervalued very much under the old law; how does it look to you?

Mr. GOODSELL. If it was possible to estimate the value at the point of shipment by the selling price, that is possible, but——

Mr. GEAR. Then they must be undervalued according to that.

Mr. GOODSELL. But there is a risk of their not coming in in a proper condition.

Mr. GEAR. You have just stated that the fruit is an exception, as they keep?

Mr. GOODSELL. It does when they arrive here sound.

Mr. GEAR. What percentage of a cargo comes in unsound?

Mr. GOODSELL. Well, that's a pretty hard question to answer off-hand.

Mr. GEAR. If you are a dealer you ought to be able to answer it.

Mr. GOODSELL. I should imagine that 50 per cent of a cargo reaches here sound; what the dealers would call sound and what they would purchase for putting in store.

Mr. PAYNE. Have you ever had any actual experience in packing California grapes in cork dust?

Mr. GOODSELL. No, sir; I have not. We are going to make some experiments this winter. I am, as soon as it is possible, preparing to send on some of these barrels and cork dust to my California shippers. There is one grape produced in California that it is possible may be utilized in that similar way to the Almeria grape, and that is the grape called the Tokay. You have probably seen it here in Washington. The grapes are a very deep, rich red, and they are now just commencing to come forward. The skin of the Tokay grape is similar in character to the Almeria grape.

Mr. WHITING. I think you stated the poor people prefer the domestic grape?

Mr. GOODSELL. Yes, sir.

Mr. WHITING. Why do you think that?

Mr. GOODSELL. Largely on account of the price. I think if the Almeria grapes were cheaper they would take them as readily.

Mr. WHITING. They get these grapes at a time they can not get any other grapes?

Mr. GOODSELL. They get the imported grapes, yes, sir.

Mr. WHITING. And anybody who wishes grapes for any purpose, whether for sickness or anything else, are obliged to take these imported Almerian grapes?

Mr. GOODSELL. Yes, sir; that is true. The doctors in New York have conceded the Almerian grapes, put into the sick room during the months of February, March, and April, are a very great boon to those who need something of that kind.

Mr. HOPKINS. Do you mean to say that the domestic grape can not be purchased here during the months of February, March, and April in good condition?

Mr. GOODSELL. I have never seen any.

Mr. HOPKINS. Do you mean to say they can not be had?

Mr. GOODSELL. Well, nothing is impossible.

Mr. PAYNE. I suppose every member of this committee had them on the table last February.

Mr. WHITING. I did not.

Mr. PAYNE. Well, I had them.

Mr. GEAR. Is it not a matter of fact that the Concord, Catawba, and the Delaware are considered a better edible grape than this by a majority of the people?

Mr. GOODSELL. I think that a majority of the people would answer your question in the affirmative, that the domestic grape has a better flavor.

Mr. HOPKINS. What has been the price of the Almeria grapes in the market during the last five years, the average price?

Mr. GOODSELL. The average price during the last three years—I can not give you for the five for the reason I have not estimated the figures—has been about $4. Last year the average was $4.50 a barrel. This is to the jobbing trade, which, of course, deals them out to the retailer, and the retailer deals them out to the men who sell them.

Mr. HOPKINS. That is due, is it not, to a bad year for grapes—one of those years, I think you stated, was a bad year?

Mr. GOODSELL. Yes, sir; one year was not a good year and they landed in a bad condition.

Mr. HOPKINS. Can you give the average price for the three years preceding those?

Mr. GOODSELL. It was slightly lower; I can not give the figures.

Mr. HOPKINS. Was it any appreciable amount lower?

Mr. GOODSELL. Yes, sir; 50 cents a barrel.

Mr. PAYNE. What do these grapes retail at?

Mr. GOODSELL. It depends largely on the character of the grape. There are two qualities of grape grown in Almeria, one on the mountain side at a place called Alahama. These vines are on a sloping hillside and produce a grape that is called the pink grape. It has a slight pinkish tinge to the bunch; in fact it is on the surface of the grape. This grape sells sometimes as high as $10 a barrel.

Mr. PAYNE. By the pound, it would be how much?

Mr. GOODSELL. That would be 25 cents a pound. And then there is a class of grapes produced on the lowlands, the flat lands, at places called Bentanque, Canyaya, and Terque, that only bring $3 a barrel and rarely reach $3.50 a barrel.

Mr. PAYNE. How much is that a pound?

Mr. GOODSELL. That would be about 8 cents a pound. I take the average of, say, $3 to $3.50 a barrel. The pink grapes, many of them, do not bring $10 a barrel. I am only giving you the extreme, but the green grapes as a rule will sell throughout the entire season at $3 to $3.50, and if for existing crop conditions or because the grapes are not keeping well, or on account of rain, which has damaged the crop in Almeria, it is frequently the case we are obliged to take for the common grades $1.50 to $2 a barrel, and I have sold them as low as 25 cents a barrel.

Mr. PAYNE. Suppose the duty is reduced from 41 cents to 29 cents; how many pounds are there to the barrel?

Mr. GOODSELL. There are supposed to be 40 pounds net.

Mr. PAYNE. That would be one quarter of a cent a pound; how much of that do you suppose the poor people would get in case of sickness in the spring?

Mr. GOODSELL. That is a supposition that would be very difficult to answer intelligently, and I would not venture to express an opinion, because I think you are as fully competent to answer that as I am; but I do say this, that the importation the year the McKinley bill went into effect decreased one-third, because of the increase of duty and the price increased one-third. This third year was when grapes were low. In consequence of the decrease in importation our prices have been higher, strange to say, on account of the less supply coming forward, and the poor people, in my opinion, stand a great deal less chance of getting these grapes in February, March, and April at a very reasonable sum, with a duty at 60 cents a barrel, than they will if you put it back to the old duty of 29 cents.

Mr. WHITING. In country towns you can not get anything but these grapes. They do not have them on sale, and if a person wants grapes for any purpose he must take these Almeria grapes?

Mr. GOODSELL. That is true. The gentlemen is correct in saying we are only paying 41 cents duty, but you must remember that this decision has been just rendered and the Almeria grape season commences in September and ends in November, so the Almeria grower—at the present time he may have mail advices—but up to the time he received advices from me had no idea but what he was paying 60 cents a barrel.

Mr. PAYNE. You think the grower pays this difference?

Mr. GOODSELL. We charge it to him on the account sales.

Mr. PAYNE. You think the grower pays this difference in duty; he pays it over there?

Mr. GOODSELL. We charge all expenses to the grower, yes, sir.

Mr. DALZELL. So that the $137,000 or $138,000 was taken out of the Almeria grape growers?

Mr. GOODSELL. Those, I think, are the gross figures, I did not have——

Mr. WHITING. The consumer here had to pay it?

Mr. GOODSELL. They paid it doubly.

Mr. PAYNE. They paid it at both ends—the grower in Almeria and the people here? The people here not only paid the one-quarter cent a pound extra to get them, but on your idea they paid from 4 to 10 cents a pound extra?

Mr. GOODSELL. I believe they do, sir.

Mr. PAYNE. We want to get your facts and we will construct the theories.

Mr. HOPKINS. As I understand you, whenever you send over to the Almeria grower you give him the price less the amount of duty imposed by the McKinley bill?

Mr. GOODSELL. In the first place, I want to tell you about the difficulties which these people contend with. They live in the back country and they grow in this little province, as I say, 800,000 barrels of grapes annually. These barrels are all brought to the seaport town of Almeria, which practically does not produce a pound of grape; they are brought in ten-barrel lots on the backs of donkeys over mountain roads, some growers bringing them 20 miles from the interior, and that expense alone, taking the time into consideration, is of course a very great hardship to them. Now, to answer your question, because that hinges somewhat on that——

Mr. HOPKINS. I was asking you, when you sent over there to make your purchase from the Almeria grower you deducted the duty imposed by the McKinley bill from the price you otherwise pay them?

Mr. GOODSELL. These goods are sent to us on consignment, and they are sold at public auction. We issue what is called a price catalogue, and each grower's name, which is branded on the barrel, is duplicated in the catalogue. This catalogue shows the name of the grower, the number of barrels, and the price realized. We take all these facts, put them on our account sales, deduct the freight and duty which we pay and other selling expenses, including our commission, and remit him the balance.

Mr. HOPKINS. So that in every instance the Almeria grower pays the McKinley duty?

Mr. GOODSELL. Yes, sir.

The CHAIRMAN. Which you, as agent or vendee, re-collect from the people of this country?

Mr. DALZELL. The chairman asks you whether or not, as agent, you re-collect that; you do not remit him the duty?

Mr. GOODSELL. Oh! yes, sir.

Mr. DALZELL. You send back what you collect by increasing the price?

Mr. GOODSELL. No; the refund——

Mr. DALZELL. I am not talking about a refund. I am talking about your taking the duty out in the first place which you pay under the McKinley bill; you never send him that, do you; you never send him that account?

Mr. GOODSELL. No, sir; we simply deduct from the gross sales the total expenses, and in the total expenses is the duty and all other charges which we pay.

Mr. DALZELL. But the point of the chairman's question was, you, as his agent, assessed this duty on the American public, and now I want to know whether you, as agent, sent back or kept this?

Mr. GOODSELL. We do not assess anything on the American public. These grapes are sold at public auctions to the highest bidder, and by reason of the law of supply the growers now see their way clearly to pay 60 cents a barrel. I do not want to say the American public pay, but it is simply a question of supply and demand, owing to a curtailment of supply, with an increasing demand from the small towns throughout our entire United States who are dependent in a very great extent upon Almeria grapes as their only green fruit.

Mr. GEAR. Is it not true that a large majority of the consumption of these grapes are by people who are wealthy and accustomed to luxury?

Mr. GOODSELL. I think in the last two years——

Mr. WHITING. They find their way into every country town in the United States.

Mr. GOODSELL. Yes; I believe they find their way throughout the United States right up to the borders of California.

Mr. HOPKINS. You have nothing to do with the retail trade, have you?

Mr. GOODSELL. I know this about it, sir: we also have to extend credit——

Mr. HOPKINS. But do you have anything to do with the retailer?

Mr. GOODSELL. Not with the retailer; the jobber.

Mr. HOPKINS. You deal with the jobber? Now, what the jobber does with this you do not know?

Mr. GOODSELL. These small country towns are practically jobbers, because they employ what are called brokers in New York, and a broker comes to our sale and purchases, say, 20 barrels of those grapes.

Mr. PAYNE. Do the small country towns employ these brokers?

Mr. GOODSELL. Oh, yes, sir; we sell through brokers to perhaps half of the small places throughout the United States.

Mr. WHITING. Each State would have a broker who would supply the State. Detroit would have a broker who would, perhaps, supply Michigan?

Mr. GOODSELL. Detroit and all of those towns have jobbing houses; but small towns throughout the country employ brokers, who make a specialty of buying goods for out-of-town houses, charging them a small brokerage on each package.

Mr. PAYNE. Can you tell us how many barrels were imported last year?

Mr. GOODSELL. About 221,000.
Mr. PAYNE. How many the year before?
Mr. GOODSELL. 247,000.
Mr. PAYNE. How many the year before that?
Mr. GOODSELL. 276,000.
Mr. PAYNE. How many the year before that?
Mr. GOODSELL. I think there were 310,000 the year prior to the McKinley bill.
Mr. PAYNE. How many the year before that?
Mr. GOODSELL. I can not give those figures exactly.
Mr. PAYNE. You think the reason last year you had a less importation than the year before, and the year before that, was because the grape-growers were receiving less for their grapes?
Mr. GOODSELL. I hope I did not say that.
Mr. PAYNE. You said there was a less supply sent here because they had to pay more duty, and if they had to pay more duty they received less for grapes?
Mr. GOODSELL. That, theoretically, may be correct.
Mr. PAYNE. Why did not they send more?
Mr. GOODSELL. The grower in Spain is a man, I am sorry to say, not altogether intelligent, and if he thinks he is compelled to pay more than he ought to he will act on one line of policy. Outside of that, gentlemen, please remember that America is by no means the only outlet for these grapes. The countries in Europe use them in immense quantities without duty, except France.
Mr. PAYNE. Will you tell us how much the grape-growers received for their grapes from this country in 1890—the gross amount?
Mr. GOODSELL. I have not the figures.
Mr. PAYNE. Can you furnish those for the last three years.
Mr. GOODSELL. I would prefer to send them to you in writing.
Mr. PAYNE. For how many years back?
Mr. GOODSELL. I can go four years back and give you the exact figures.
Mr. PAYNE. You can not go further than that?
Mr. GOODSELL. No, sir.
Mr. PAYNE. I wish you would send us the figures for the last four years.
Mr. GOODSELL. I will send them; to your chairman, I suppose.
Mr. PAYNE. Yes, sir; I do not care how they come, just so we get them. I want to ask you this further question: Suppose these Almerian grapes are removed from the cork dust, will they keep any length of time then?
Mr. GOODSELL. I do not think so. I think the grapes in the barrels, rubbing against each other, would so bruise the skin as to cause the juice of the grape to get out, and that would start fermentation. You see, these grapes are packed in layers——
Mr. PAYNE. I have never seen them exhibited for sale except taken out of the cork dust. I have seen them on the shelves and on counters.
Mr. GOODSELL. I think they keep fairly well.
Mr. PAYNE. Then it is the packing which keeps them, really?
Mr. GOODSELL. Yes, sir; and the peculiarity of the skin.
Mr. PAYNE. They will not keep any better than any other grape without that packing, would they?
Mr. GOODSELL. I think so. The American grape has a comparatively short capacity to endure——
Mr. PAYNE. Have you had a practical experience of that kind?

Mr. GOODSELL (continuing). Whereas if you put the Almeria grape into barrels and put it into the hold of a steamer and close that steamer up twenty days I think it is——

Mr. GEAR. Is not the keeping capacity owing to the fact that there is less juice in the Almeria grape and more solid matter?

Mr. GOODSELL. I think that has a good deal to do with it.

Mr. PAYNE. Has the use of the California grape increased in the last few years?

Mr. GOODSELL. Very largely, and at an increased advance in price.

Mr. PAYNE. So that the malaga grape has felt the competition?

Mr. GOODSELL. I do not think so.

Mr. PAYNE. At least it has increased upon our market in the last four years?

Mr. GOODSELL. The increase has been simply because of the increased production.

Mr. PAYNE. There has been an increase of that grape upon the market?

Mr. GOODSELL. Do you mean the California grape? Yes, sir.

Mr. WHITING. Why do the American grape-growers like to have a duty upon this imported grape; do they desire that for the sake of having the Government derive a larger income, is that their object?

Mr. GOODSELL. I can hardly speak for the grape-grower.

Mr. WHITING. Do not they wish to restrict competition and get a better price for their product?

Mr. GOODSELL. If I was a grape-grower I should think so, but there is no competition here. I claim that the two grapes do not compete. Perhaps you were not here when I said that I am a large dealer in all kinds of grapes, foreign and domestic.

Mr. WHITING. The grapes were not competing in the market, for the time had passed; there were no other grapes to be supplied.

Mr. GOODSELL. I quite agree with you in one thing. I have been in the New York fruit business for fifteen years and I have never seen a good domestic grape after the holidays.

Mr. WHITING. They would not sell poor grapes if they did not have anything else?

Mr. GOODSELL. No, sir.

Mr. WHITING. To a limited extent, perhaps, for certain purposes?

Mr. PAYNE. They do put them on. I want to ask whether these foreign grapes are sold on this market in October, November, and December?

Mr. GOODSELL. They are sold during the months of October and November and December.

Mr. PAYNE. They do not wait until the domestic grape goes out of the market?

Mr. GOODSELL. No, sir; but as a matter of fact, while the domestic grapes are in New York—and I think this applies to all other fruit centers—we can not find a local demand for Almeria grapes.

Mr. GEAR. Those are more abundant and cheaper?

Mr. PAYNE. The native grape competes with you wherever these meet with the native grape?

Mr. GOODSELL. It curtails the demand.

Mr. GEAR. Is it not true that the American grape, being more plentiful and cheap, pleases most the general public?

Mr. GOODSELL. Yes, sir.

Mr. DALZELL. What do you think ought to be the duty?

Mr. GOODSELL. I think that everyone would be satisfied, both the

domestic grape-grower as well as the Almeria shipper, if the duty was restored to the old rate, making it a specific duty.

Mr. DALZELL. That was 30 cents a barrel?

Mr. GOODSELL. Yes, sir.

Mr. BURROWS. Did you say that this grape does not come in competition with any of the grapes grown in this country?

Mr. GOODSELL. Yes, sir; the grape does not come in competition with the grape produced in this country to the detriment of those grown here.

Mr. GEAR. Is not that by reason of the better quality of grape grown? You know we grow grapes in this country.

Mr. GOODSELL. We do; the States of New York, California, and Ohio are large-producing grape centers.

Mr. GEAR. How do you think it would affect that industry if we took the duty off or lowered the duty?

Mr. GOODSELL. I think the record will show prior to the McKinley bill the grape-growers of this country got a better price for their products than they have since the McKinley bill was passed, whether that had any effect on it or not.

Mr. DALZELL (to Mr. Whiting). I understand your theory is to take off the duty would bring down the price of the American products?

Mr. WHITING. I think it would to a certain extent.

Mr. DALZELL (to Mr. Goodsell). Do you think that is so?

Mr. GOODSELL. Make grapes free?

Mr. DALZELL. Would that bring down the price of the American grapes?

Mr. GOODSELL. Not materially, and for this reason: The total capable productive section of Almeria is not to exceed 900,000 barrels. Of that 900,000 barrels Europe will take at least 600,000 a year, and I think we will have an importation into this country under the most favorable circumstances not to exceed 300,000 to 350,000 barrels.

Mr. PAYNE. That being so, does not Europe fix the price by taking it in larger quantities; does not the market of Europe fix the price?

Mr. GOODSELL. The market of Europe has nothing whatever to do with ours.

Mr. PAYNE. Then it has nothing to do with the diminishing supply in Almeria?

Mr. GOODSELL. The markets of London and Liverpool and Glasgow and Hull last year were equally as good as New York.

Mr. PAYNE. If the market is better there they will send their grapes there instead of sending them to this country?

Mr. GOODSELL. That might hold but for the fact that by the time the first large sales of grapes are held here in America and elsewhere almost all of the grapes of Spain are in transit.

Mr. PAYNE. So if this year they get a good market in London, Glasgow, and other places in Europe and do not get a good market here the next year they will send the most of the crop to the best place?

Mr. GOODSELL. No, sir; I do not think so. I think the markets in London and New York will take about so many at a good price, and when an excess of that quantity has been shipped then they expect to receive lower prices.

Mr. HOPKINS. Then the demand in London and New York fixes the amount of grapes shipped to those respective points?

Mr. GOODSELL. Not altogether; there is a system of advances which have been made to the grower, who is rather poor in Spain. The volume

of business which goes to the various markets outside of the United States where no advances are made controls the volume of trade.

Mr. GEAR. Are any of these grapes shipped from Almeria to France?

Mr. GOODSELL. Yes, sir.

Mr. GEAR. What is the average duty—I think you said there was a duty?

Mr. GOODSELL. I think the duty is 20 per cent.

Mr. HOPKINS. According to your statement the McKinley bill raised the duty on these grapes quarter of a cent a pound?

Mr. GOODSELL. Net, that is.

Mr. HOPKINS. Is that the amount of duty you want taken off, or do you want these grapes put on the free list?

Mr. GOODSELL. No, sir; I would not like to see them put on the free list.

Mr. PAYNE. Why not?

Mr. GOODSELL. I think all imports in this country should pay a tribute to the country.

Mr. DALZELL. Would not you have any free list at all?

Mr. GOODSELL. Not on the goods I am dealing in; I am not a champion of the entire imports.

Mr. DALZELL. I understood you to make that statement.

Mr. GOODSELL. I am simply referring to my business. If the goods were placed on the free list I think the domestic fruit would not suffer, but I do not advocate it. I think that a perfectly just duty was the one that obtained prior to the passage of the McKinley bill, and that was about 30 cents a barrel.

Mr. WHITING. That was best for the importer?

Mr. GOODSELL. I think we could supply grapes sufficient to make a widespread demand at prices at which people of moderate means could enjoy the fruit.

Mr. PAYNE. Would you have it specific or ad valorem?

Mr. GOODSELL. I would have it specific.

Mr. HOPKINS. If these grapes were put on the free list it would increase the importation to this country?

Mr. GOODSELL. I think it would.

Mr. HOPKINS. To what extent?

Mr. GOODSELL. I think perhaps we would get 400,000 barrels per annum.

Mr. HOPKINS. I asked you that in view of the statement you made a few minutes ago that the surplus only was shipped to America; you think they would use less of these grapes in Europe?

Mr. GOODSELL. I think they would ship them here in the hopes of getting better prices.

Mr. HOPKINS. If they are on the free list, how can the price go higher in this country?

Mr. GOODSELL. No, sir; lower.

Mr. HOPKINS. You would get a lower and the producer get a higher price?

Mr. GOODSELL. I did not mean to make that statement. I said that he would send it here in the hopes of getting this. This Spanish grape-grower is not a man of high intelligence.

Mr. HOPKINS. That may be true for one year, but after that, if he learns it does not produce the result mentioned, what will he do?

Mr. GOODSELL. The probability is the countries in Europe will get the bulk of the supply.

Mr. HOPKINS. Then it would drop back to the fact that the American

would simply get the surplus of the grapes not taken by the European countries?

Mr. GOODSELL. In the first place—above a certain point—because the European market takes so many anyway; but with an importation of 400,000, we can sell good grapes here on the basis of the old duty at, say, from $2.50 to $3 a barrel, and we place these grapes within the means of a great many people that are at present deprived of their use on account of the high price.

Mr. GEAR. You would like the duty to be 30 cents specific?

Mr. GOODSELL. Yes, sir.

Mr. GEAR. The duty is 41 now?

Mr. GOODSELL. Yes, sir.

Mr. GEAR. How much less would the American consumer get these grapes; say the people, the consumers?

Mr. GOODSELL. I think the consumer would benefit, by the decrease in the duty between 30 and 41 cents, at least 50 cents a barrel, and possibly more.

Mr. GEAR. That would be a cent and a quarter a pound?

Mr. HOPKINS. You do not mean to say, if you have a duty of one-fourth cent a pound taken off, you can sell to the consumer at 1¼ cents a pound less?

Mr. GOODSELL. I say, in my opinion there would be an increased importation to an extent that the demand would not be so keen as to cause prices to rule 50 cents a barrel lower, I think.

Mr. PAYNE. Is it not a fact that these grapes have been retailed out of stores in the last three years lower per pound?

Mr. GOODSELL. I do not think so.

Mr. PAYNE. Do you know?

Mr. GOODSELL. If it did, it is a loss to the retailer.

Mr. PAYNE. Do you know whether it is or not?

Mr. GOODSELL. I can not go through the country and estimate what the dealers retail them for.

Mr. HOPKINS. Then it is pure speculation on your part when you say it is more consumption which will save 1¼ cents to the consumer?

Mr. GOODSELL. It is not speculation, for the reason that prior to the McKinley bill there were more consumed at lower prices.

Mr. HOPKINS. Now, is not your position here that you want the duty lowered because you are an importer, and you think it would be to your benefit as an importer in handling these goods if you can have the duty reduced?

Mr. GOODSELL. It would be absurd for me to come in here *pro bono publico*, a man doing a charitable act. I come here for business. Selfish reasons to benefit myself and the Spanish grower, and think I would be very foolish to do anything else.

Mr. WHITING. Suppose the European countries were to raise a duty, and have it equal to the American duty, do you think the Spanish grower would raise grapes and pay that duty and not have an increase in price? These folks here try to make out that they are ready to pay that; but could they cheerfully stand that increased duty and furnish grapes at the old price?

Mr. GOODSELL. I shall have to answer that by assuming myself to be a grower; if I was a grower I would not.

Mr. WHITING. They can not pay the duty.

The CHAIRMAN. The selfish purpose you have is that you charge the grower for the sale of these grapes, and if you sell them cheaper you will have a larger demand for them?

Mr. GOODSELL. The volume of business, of course, is what pays me,

and therefore I want to see them sell lower and bring less money, and I want to see a larger demand for these grapes throughout the United States.

Mr. GEAR. Do you get a commission by the cargo or pound?

Mr. GOODSELL. I get a commission on the gross sales. I am also a member of a London house, and we do a very large business in advancing, and therefore it is to our benfit to see the crops are marketed to the very best possible extent.

Mr. GEAR. If you have 100,000 barrels more than you get now, your commission will be increased by that amount; therefore, it is to your interest that you should get in the largest amount possible?

Mr. GOODSELL. Yes, sir.

The CHAIRMAN. You believe the way to get in a larger amount is to be able to sell to the consumer cheaper?

Mr. GOODSELL. Yes, sir; I think that is the only way.

The CHAIRMAN. So it is a little selfishness in the interest of the consumer of grapes as well as involving a commission?

Mr. GOODSELL. I think a very material reason why the duty on grapes should be reduced is because the general public will benefit. The rich people who can afford to buy the Almeria grape will buy it if you put a duty of a dollar a barrel on it, but the poor people who can not afford the luxuries of life at a high price will buy them at a medium price if they can be gotten.

Mr. DALZELL. If you make the Almeria producer pay the duty on the product what difference does it make to the consumer?

Mr. GOODSELL. I think that question was gone into when it was shown here that the increase of duty cut off our shipments.

Mr. HOPKINS. Have you any statistics to show what the retail price of Almeria grapes has been during the last three years?

Mr. GOODSELL. I do not think it would be possible to get it accurately. I can furnish it to the committee, so far as the New York market is concerned.

Mr. HOPKINS. Can you furnish the retail price of Almeria grapes for three years preceding the year 1890.

Mr. GOODSELL. Prior to the McKinley bill I will certainly try to do so.

Mr. HOPKINS. At present you have no figures?

Mr. GOODSELL. No, sir.

Mr. PAYNE. What percentage of the importations are carried over from the first of January?

Mr. GOODSELL. I should judge fully 75 per cent are carried over of the total importation from the first of January in the hands of shippers and those who buy to speculate.

Mr. PAYNE. Is the price higher after the first of January than prior thereto?

Mr. GOODSELL. That depends entirely on how the fruit keeps, and is governed wholly by the character of weather we have. Two years ago it was quite warm in January and February and seriously hurt the fruit that had been put in store by the purchasers, so they had to sell for much less than they had bought it.

Mr. PAYNE. If the fruit keeps well it sells after the first of January for more than before the first of January?

Mr. GOODSELL. Yes, sir, necessarily; these men are always buying to speculate, and they charge a percentage on the buying price as much as they possibly can.

Mr. PAYNE. There has not been a change on account of this quarter of a cent a pound duty?

Mr. GOODSELL. Yes, that has been taken into consideration.

Mr. HOPKINS. What is the name of your London house?

Mr. GOODSELL. Campion, Goodsell & Company.

Mr. HOPKINS. Where are they?

Mr. GOODSELL. 15 Philpot Lane, London. I would be very glad to have them furnish you with any particulars in regard to what is being done in London. We have full statistics, and your committee can either write direct, or I will write.

Mr. BURROWS. Did you come before the committee at their suggestion?

Mr. GOODSELL. I came of my own suggestion. Gentlemen, if I have been raked over the coals sufficient to bring the duty down to 30 cents——

Mr. PAYNE. Do you deal in any other kind of fruit?

Mr. GOODSELL. Yes, sir; I sell California fruit.

Mr. PAYNE. Do you deal in any other kind of fruit besides grapes?

Mr. GOODSELL. Yes, sir. I thank you very much for the hearing you have given me, and I only hope that the facts which I shall lay before you later will have some bearing on your reducing this duty to at least the old figures, for I do not believe the interests of the general public are served by continuing the duty at 60, or 41, as probably will be this year.

Mr. WHITING. You think we would get nearly as large a revenue with a reduction as now?

Mr. GOODSELL. I think there will be a larger revenue with the increased demand, besides the benefit the poor people can derive from having this fruit which they could not get before.

Mr. HOPKINS. And lowering the revenue will be a great benefit to the growers of the Almeria grape?

Mr. GOODSELL. It will be a benefit in this sense, he is not an educated man and he takes the reduction just as he takes the advance. He thought the advance was going to ruin the entire shipping trade with America and the reduction will nesessarily have as great a weight the other way, in my opinion. They look upon the McKinley bill as a very great ogre.

Mr. BURROWS. They do not like it?

Mr. GOODSELL. No, sir.

Referring to my communication printed in conjunction with the tariff revision, I would say that the figures given as to the quantity of importations covered the number of barrels received in New York only.

Statistics of Almeria grapes in barrels received and sold in English markets during the last five years, with estimated average prices.

Year.	Liverpool.	London.	Estimated Glascow, Hull, and Bristol.	Total.	Estimated average price per barrel.	Retail price per pound (about).
	Barrels.	*Barrels.*	*Barrels.*	*Barrels.*	*S.*	*Cents.*
1888	221,681	112,800	70,000	404,480	8 9	8
1889	218,210	132,234	70,000	420,444	10 11	9
1890	356,449	223,434	115,000	694,883	6 7	7
1891	283,366	151,724	85,000	520,090	8 9	8
1892	194,695	128,620	55,000	378,315	12 13	9

REMARKS.—The figures of imports in Liverpool and London are exact; those of Glasgow, Hull, and Bristol are estimated, as no statistics are kept in those ports. The average price is estimated as nearly as possible. The retail price is usually from 4½*d.* to 8*d.* per pound, except in times of great scarcity, say from February onwards.

GRAPES.

(Paragraph 299.)

IMPORTED GRAPES.

PHILADELPHIA, *September 5, 1893.*

DEAR SIR: Having seen in this morning's papers that Mr. E. L. Goodsell, of New York, had been before your committee in regard to Almeria and Malaga grapes, and had advocated the return to the duty paid before the McKinley bill was passed, I beg to offer the following, which I think to be just to the grower, shipper, importer, and consumer, namely: That instead of an ad valorem duty, as paid before the wretched McKinley act, that a specific duty be placed on the imported grapes, viz, on the ordinary kegs or barrels, 25 cents each; and on the ordinary half kegs or barrels, 13 cents each. The importations will become three times what they are now, and the foreign grape can not in any way interfere with the domestic, being of an entirely different quality and nature.

Yours, very respectfully,

PAUL POHL, Jr.

PRUNES AND PLUMS.

(Paragraph 299.)

IN RELATION TO THE DUTIES ON PRUNES AND PLUMS.

NEW YORK, *September 15, 1893.*

Act of 1883. Schedule G, paragraph 708. 1 cent per pound
Act of 1890. Schedule G, paragraph 299. 2 cents per

SIR: These goods were imported in large quantities mer tariff. Under the latter importations have been minimum.

The large bulk of the importations under the old tari the variety grown in Bosnia and Servia and commonly ca prunes." The chief consumers of these were the poore bought them because they were cheap food. Taking to price in Europe as a basis the present duty is just about 1 valorem. Under the old rate of duty the Government w of a considerable revenue from the duties paid on t now it receives practically nothing, the present rate b prohibitory. Why, then, was the duty raised in 1890? it was a measure of protection to an infant industry—t fruit industry. The California fruit trade was born a grew strong and healthy under the old tariff, as it wou without any duty at all, and the most striking result of t duties has been a continual scheming and planning on t California fruit-growers to form a combination, a union, a trust to advance prices on the consumer.

We ask that the duty on prunes and plums be made per pound. This will bring the articles within the reac consumer, and will in addition make them a source of revenue to the Government.

Yours, respectfully,

HENRY NORDLIN

NUTS AND ALMONDS.

(Paragraphs 306-309.)

MEMORIAL OF TARIFF ON NUTS AND ALMONDS.

In accordance with the present taxation in the import duties on nuts in the shell and shelled nuts there is a great injustice done to the nut-growers and to the dealers and manufacturers of shelled nuts. The tariff on these two articles is not in the right proportion to each other. Before the McKinley bill was in force there was for many years very few shelled nuts imported, as confectioners and kitchens bought nuts in the shell and opened them by hand. About six or seven years since an industry has grown up in France and Italy and other nut-growing countries by which the nut kernels or meat are extracted from the nuts by certain machines. Since that time it has been a separate business to import shelled nuts into this country, and it can now be considered that more than half of all the nuts used here have been opened in foreign countries as stated before. The import of shelled nuts was very small years ago and our wise lawgivers were right not to make any difference in the import duties between shelled nuts and nuts in shell.

The McKinley bill, taking into consideration the change that has occurred since a few years ago, has made a change in the tariff, but not to the benefit of consumers here, nor to the advantage of the nut-growers in this country, but only to raise duties in an unjust way to the sole advantage of foreign manufacturers.

In accordance with the present tariff the unjust duties on walnuts and filberts in the shell is 3 cents per pound while the duties on shelled nuts is 6 cents per pound. As it takes 3 to 3¼ pounds of nuts in the shell to make 1 pound of shelled nuts, the American manufacturer has to pay from 9 to 10 cents per pound, while if the nuts are opened in foreign countries he has to pay only 6 cents duty per pound. To keep these unjust duties in proper and just proportion the duty on shelled nuts should be 10 cents per pound to enable the American manufacturer to compete with the foreign manufacturer, provided the present tariff of 3 cents per pound on shelled nuts shall remain in force.

If the duties on nuts in the shell is reduced it would be a great drawback for the nut-growers in California, Texas, and several other nut-growing States, where farmers have commenced to pay strict attention to the raising of nuts, especially California, from where a great many walnuts have been shipped to the Eastern markets during the last few years.

The same injustice is done in the import duties on almonds. The duty on almonds in shells is 5 cents per pound and that on shelled almonds is 7½ per pound. As it takes nearly 3 pounds of hard-shelled almonds to make 1 pound of shelled almonds we must, under the present tariff, leave this industry, when some thousands of hands could be employed here, entirely to foreign countries.

In order to make the duty on shelled almonds just and proper it should be in proportion to the duty on almonds in the shell, say of $3 \times 5 = 15$ cents per pound (as it takes nearly 3 pounds of almonds in the shell to make 1 pound of shelled almonds), or take away the duty on almonds in shell and raise the duty on shelled almonds to 10 or 15 cents per pound. By this the Government would earn the same amount of money, or more, and prices for almonds would be lower here than before.

At the same time the nut-growing industry of California would have a small protection, which it needs, to encourage the growing of almonds, the quality of which is much finer than those from any other country, and it would not take many years before we would export this valuable article to other countries.

R. C. KOERBER,
President of Koerber Nut-meat Manufacturing Company,
307 and 309 Washington street, New York City.

NEW YORK, *September 14, 1893.*

EXTRACT OF MEAT.

(Paragraph 518.)

STATEMENT OF MR. EDWARD C. FRISBIE, OF HARTFORD, CONN.

HARTFORD, CONN., *September, 1893.*

GENTLEMEN: We are the agents of the Liebig's Extract of Meat and desire to ask that the present rate of duty be modified, and for reasons which we propose to show in tables following.

First, we believe there is no reason why there should be any duty upon this article, as it is not needed as a measure of protection to any American product of similar character.

We shall confine our statistics to Liebig's onl
American products, for the reason that we are n
similar extract being imported in any conside
Liebig's brand is regarded as the standard of qu
and the name Liebig is frequently and unjustly
putting up similar products, and in fact the su
Extract of Meat has induced others to endeavor t
Liebig's extract has always sold and always wo
a higher price than similar extracts of American
there be a total abolition of the present duty, l
admitted entirely free, it would, in consequence
production—chemical testing and shipping—still
this country at a higher price than the competin
of any reputable character; therefore we see no
tice would be done to any American manufacture.
big's Extract of Meat is a South American produ
tos, Uruguay, and we believe we should be consid
to consideration under the idea of reciprocity with

This extract of beef has become an article of
poorer classes of our people and should really be
of medicinal necessity; is now used largely by t
feeble health. During the year 1889 140,000 p
was imported and the revenue derived from it wa

With a decrease of duty we believe there will
tion of this brand. We also believe that the com
and American brands would result in a higher s
our American products, and we can see nothing o
to accrue to any interest by a reduction in the

stimulating and healthy competition which will result, as stated above, in a higher standard of quality.

We have the pleasure of presenting a series of tables showing the cost of Liebig's as compared with the three prominent domestic brands, also showing the higher cost of Liebig's over the average price of those various brands.

Liebig's Extract of Meat is known throughout the world; is everywhere accepted as a standard of quality. The sales in this country as compared with those in other countries, basing the sale upon comparison of population, shows that there is less than one-quarter sold here as compared with most other countries. In Austria, where a large increase of duty took place sometime since, the importation of extract of meat was seriously affected, and the poorer population suffered both in health and comfort; and the Government, instead of receiving an extra profit, as anticipated, by the advance in duty, found a great loss, as the duty imposed prevented the importation; and they thus failed of the object which they sought to obtain.

We believe that a decrease of duty here would result in an increased net revenue, and we are quite firm in our belief that no harm would be done to our home products by reason of a reduction.

Below we present figures showing the cost of Liebig's as compared with other brands; the excess of cost of Liebig's over other brands if duty free; also, excess of cost over other brands at the rates of duty based on 5 cents, 10 cents, and 18 cents per pound.

Respectfully submitted.

TALCOTT, FRISBIE & CO.

	2 ounces, net cost.	4 ounces, net cost,	8 ounces, net cost.	16 ounces, net cost.
Chicago extract beef—				
Burnham's brand	$2.63	$4.90	$8.40	$16.40
Libby, McNeil & Libby's	2.82	5.25	9.00	16.50
Armour's	3.20	5.89	11.02	20.52
Liebig's genuine	3.79	6.97	12.97	24.22
Average cost of three American brands	2.88	5.34	9.47	17.80
Under present duty Liebig's genuine costs more than the cheapest	1.16	2.07	4.57	7.82
Under present duty Liebig's genuine cost above the highest priced or Armour's	.59	1.08	1.95	3.70
Cost of Liebig's if free of duty	3.27	5.92	10.87	22.02
Liebig's, if free of duty, would cost more than Burnham's	.64	1.02	2.47	5.62
Liebig's, if free of duty, would cost more than Libby, McNeil & Libby's	.45	.67	1.87	5.52
Liebig's, if free of duty, would cost more than Armour's	.07	.03	—.15	1.50
Liebig's, if free of duty, would cost more than the average of Burnham's, Libby, McNeil & Libby's and Armour's	.39	.58	1.40	4.22
If 5 cents per pound duty, Liebig's would cost more than the average	.47	.73	1.70	4.82
If 10 cents per pound duty, Liebig's would cost more than the average	.54	1.03	2.00	5.41
If 18 cents per pound duty, Liebig's would cost more than the average	.66	1.12	2.48	6.38
Cost of Liebig's if 5 cents a pound duty	3.35	6.07	11.17	22.62
Cost of Liebig's if 10 cents a pound duty	3.42	6.37	11.47	23.22
Cost of Liebig's if 18 cents a pound duty	3.54	6.46	11.95	24.18
With 5 cent per pound duty—				
Cost of Liebig's over Burnham's	.72	1.17	2.77	6.22
Cost of Liebig's over Libby, McNeil & Libby's	.53	.82	2.17	6.12
Cost of Liebig's over Armour's	.15	.18	.15	2.10
With 10 cents per pound duty—				
Cost of Liebig's over Burnham's	.79	1.47	3.07	6.80
Cost of Liebig's over Libby, McNeil & Libby's	.60	1.12	2.47	6.72
Cost of Libby's over Armour's	.22	.48	.45	2.70
With 18 cents per pound duty—				
Cost of Liebig's over Burnham's	.91	1.56	3.55	7.78
Cost of Liebig's over Libby, McNeill & Libby's	.72	1.21	2.95	7.68
Cost of Liebig's over Armour's	.34	.57	.93	3.66

Mr. FRISBIE. The present rate of duty is 35 cents a pound. In formulating these tables, I have based my calculations upon the average price paid jobbers. There are few who, in buying 10,000 pounds of Liebig's extract, get a little discount of. Those buying American products get a great deal more discount. I have based that on what I believe to be a fair presentation of the facts. I do not go into the question of the quality of the goods, because that question may come up later, and it is not proper to go into it at this time. If a question is raised by our American people, it will be time enough to discuss it then.

DEGRAS.

(Paragraph 316.)

SUGGESTIONS IN REGARD TO DUTY ON DEGRAS.

The present duty on degras or brown wool-grease, is one-half cent per pound, against the old rate of 10 per cent advalorem. The consumption of this article by tanners and compounders of oil is perhaps 20,000 barrels per year, of which about 18,000 are imported. This brown wool-grease is a raw material which is obtained from the residue of the water which has been used for scouring the raw wool. It is absolutely necessary for tanners of upper leather in softening their product, because it has certain qualities that no other fat or article possesses. The oil men use it for getting the high cold test, and they also need it for compounding. A large quantity of this oil is being exported again.

The present duty of one-half cent per pound, was put on at the representation of a few small manufacturers in Rhode Island and Massachusetts, against the repeated protest of a great many of the leading tanners, who appeared before the honorable committee before the McKinley bill came in force; Mr. Clarke, the present collector of Chicago; Mr. G. W. Oakley, of Chicago, and others were amongst them, but their statements were of no avail.

The selling value of this material, including ocean freight, etc., is 1½ cents per pound, exclusive of duty, which brings it up to 2 cents a pound. In spite of this high protection, which is 33⅓ per cent on the selling price, or perhaps 50 per cent of the original cost of production, the industry of this branch in the United States has not at all increased. The American consumers have tried the domestic article, and found the same unsatisfactory, even at lower prices than the foreign product. It is immaterial to us whether you lay out the duty or not, but the American consumer is the one who actually pays the high duty, which does not do any good to this country, as the article can not be manufactured successfully. We would, therefore, suggest either to have the duty removed entirely, or put it back at the old rate of 10 per cent advalorem, for the benefit of the American industry, which needs the article and can not get it in this country good and cheap.

We appear here at the request of some of the leading tanners and oil men, and include a few letters expressing their views.

Respectfully submitted,

FELIX SALOMON & Co.

DEGRAS.

(Paragraph 816.)

BOSTON, *September 16, 1893.*

The present duty of one-half cent per pound was a compromise with certain parties, mostly in Rhode Island, who thought that by a protective duty they could establish the industry of making degras in sufficient quantities to supply the demand of the trade of this country; but thus far, to the best of our knowledge, they have not succeeded in making either the quantity or the quality which is needed. The American production is but a very small proportion of the quantity consumed, and the duty of one-half cent per pound is a tax on the leather trade, which, in the present state of the industry, it can ill afford. We think if the tariff bill is to be amended, this duty should be removed and the article placed on the free list.

Yours truly,

WEBSTER & Co.

SALT.

(Paragraph 822.)

SAN FRANCISCO, CAL., *September 16, 1893.*

The undersigned, producers and manufacturers of salt in the State of California, hereby petition your honorable body to continue the protection of the salt industry in this and other States of the Union.

This protection is the present tariff of 8 cents per 100 pounds salt in bulk, and 12 cents per 100 pounds salt in bags. Under this protection the salt industry has been largely increased and the production increasing every year and keeping pace with the population, and ever increasing demands for salt, in fact, in many localities the production is largely in excess of the demand, and competition, coupled with high railroad freights, has brought the selling price of salt down to cost. Now, with the large additions of salt imported from England, France, Germany, Italy, and Mexico, on which the salt duties have been cheerfully paid by the importers, and entering into competition with our domestic product, there is a depression which has existed for more than a year past, and promises to continue and prove disastrous to the home product and industry if there is any reduction made in the salt duties, as we can not compete with salt made by the cheap labor of the countries heretofore named.

You will please understand that this foreign salt is not superior to our home product, but owing to large productions the foreign producers look to the United States for a market for its surplus salt, and finding it here, compete so strongly that our home industry is in danger.

The present rate of salt duties work no hardship on the consumer. We hear no complaint from those who use salt, and the duties are divided up into so many small sales and quantities that it is scarcely perceptible, and the Government derives a good revenue from the collection of the salt duties.

The industry in these United States is of such magnitude that it can produce enough salt to supply the whole country, of a superior quality. We are not dependent on foreign countries for any.

Foreign countries protect their salt industries. Mexico levies $10 per ton; Australia, $5. Now, we look to our Representatives in Congress to continue protection that has been so wisely given us.

We beg your favorable consideration to our appeal for protection of the salt industry.

UNION PACIFIC SALT COMPANY.
By JOHN BARTON, *President*.
And others.

SCHEDULE I.

COTTON.

COTTON YARNS.

(Paragraph 342.)

STATEMENT OF MR. A. G. PIERCE, NEW BEDFORD, MASS.

WEDNESDAY, *September 13, 1893.*

Mr. CHAIRMAN: If I had consulted my own feelings, I should be in my bed. I promised that I would come up here, and I do not care to take up much of your time. I have penciled off what I want to say. I want you to maintain the present duty on the manufacture of fine yarn goods which may be classed as a luxury; but it is an industry which has grown in magnitude within the last few years, and has increased largely in the last two years. It gives employment to a large number of operatives whose wages go to make up the other part of the cost of the goods—fully 45 to 60 per cent, varying with the fineness of the fabric. These wages are on an average from 60 to 80 per cent higher than on the other side—in England, for instance—and of course this makes a high cost compared with the same goods made there, and enables the manufacturers in the vicinity of Manchester to sell goods in that market at the present time about a cent a yard less than the same fabrics actually cost the American manufacturer to make, with nothing included for depreciation of his machinery or interest on his capital.

These items, of course, would be fair charges to include in the cost. This fabric, samples of which I have here marked 1 and 2, those marked 1 being English, and those marked 2 being made in New Bedford. They are both of similar construction. The English cost of the labor is 50 per cent, just about one-half of ours. In this lighter article, which I have marked No. 3, the cost of the labor is 48 per cent, about the full cost of the fabric. That light article sells in Manchester for three-fourths cent a yard less than we can produce it, without any allowance for depreciation or interest on capital invested. That is about all I care to say.

The CHAIRMAN. Does the Manchester manufacturer get cheaper machinery than you do?

Mr. PIERCE. I think he does.

The CHAIRMAN. Does he get cheaper fuel?

Mr. PIERCE. I believe he does; but that is hearsay with me.

The CHAIRMAN. Is there any industry in which machinery does so much work as in cotton fabrics?

Mr. PIERCE. Not to my knowledge.

The CHAIRMAN. Do you import your machinery?

Mr. PIERCE. We import some of it.

The CHAIRMAN. The foreign manufacturer has to get machinery just as you have, take it all the way through?

Mr. PIERCE. When we have to build some parts of the mills we prefer it should be of home manufacture; but sometimes we can not get

it from the American machinists who make that particular class of machinery which we want.

The CHAIRMAN. My question related to the improved machinery. That is manufactured abroad, and is about as good machinery as you have?

Mr. PIERCE. I don't think there is much, if any, difference, except that the American machinery is finished rather finer.

The CHAIRMAN. Does an operative in this country attend to more machinery than an operative in foreign mills?

Mr. PIERCE. I think he does. I think so far as looms are concerned, at least I am told, that a weaver on the other side tends four looms, and on this side a weaver tends all the way from four to six.

The CHAIRMAN. What about the hours of labor?

Mr. PIERCE. I think the hours of labor on the other side are fifty-six and on this side fifty-eight.

The CHAIRMAN. Is it true or not that the manufactories in New England grew up before there was any protective tariff?

Mr. PIERCE. That was before my day, and I can not answer as to that, because I do not know.

The CHAIRMAN. Do you know what the state of the manufacture was between 1850 and 1860?

Mr. PIERCE. I do. I was in it as a young man at that time, but I can not bring that to mind now, for the reason that I am not in condition, and really I have no business to be standing here.

COTTON YARNS.

(Paragraph 342.)

STATEMENT OF MR. ARNOLD B. SANFORD, OF FALL RIVER, MASS.

FRIDAY, *September 15, 1893.*

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I have prepared what I have to say here in the form of a statement which I would like to read to you.

The cotton-spinning industry of fine yarns and high-grade medium counts, which I represent here to-day, is, comparatively speaking, a young and quite vigorous plant, and bids fair to assume goodly proportions if given further and sufficient encouragement by our Government.

In the year 1881 the corporation of which I am the representative, the Globe Yarn Mills, of Fall River, commenced business with a capital of $175,000. A few business men in our section had the courage to venture to make an investment in this business owing to the chances of success which they could foresee under the protection offered by our Government. At the start cold water was thrown on the enterprise, and its failure predicted by well-known cotton manufacturers of our vicinity and throughout the country. This view, we are glad to say, has not been verified, for the growth of our corporation from $175,000 capital to $2,000,000 invested by our stockholders in the Globe Yarn Mills and Sanford Spinning Company, my official relations being treasurer and agent of the Globe, president and director of the Sanford Spinning Company. The latter corporation has just completed one of the finest mills of its kind in this country at a cost of over $500,000. This is simply to illustrate what we have done since 1881 in this new *business in cotton* manufacturing. The industry did not stop with us, *but since 1881* nearly $15,000,000 of capital has gone into this business

in the New England and Middle States alone, employing about 10,000 operatives, with a pay roll of fully $3,500,000 in wages per annum. This does not include the fine spinning mills, operating 800,000 spindles ($14,000,000 annual product), which make a specialty of thread yarns for spool cottons, nor does it take in the Southern spinning mills, which manufacture the coarser cotton yarns.

Now, from the above showing it would look like we were monopolizing the business and would become a menace to the existence of those who are our consumers, but do not forget that the business which we are in is one that requires the finest and best quality of yarns that can be produced; they are used, I might say, for articles which might be considered in some sense as luxuries; for instance, we furnish the knit-goods manufacturers with the highest grades of yarns for hosiery and underwear, which were formerly imported; we also furnish a fine line of yarns for the silk, woolen, and lace manufacturers, as well as for electrical purposes. The latter business has grown to one of large proportions, so that our industry has really been the basis for diversifying other industries and increasing the business of this country. I said before that we might be looked upon as being a menace to the poor consumers, but what has been the result? Instead of becoming one, we have been of great benefit and service, even to gentlemen present here to-day, who have been representing the knit-goods industry of this country, by giving them domestic yarns made by our mills and by American labor, at greatly reduced prices, and of a superior quality to the foreign importations.

In speaking of the diversified interests which we have been serving, they have called upon us so loudly during the past ten years, and that has been the reason for our rapid growth, and also for the absorbing of so much capital in this new business in cotton manufacturing.

We have also by our competition among ourselves reduced the price fully 33⅓ to 40 per cent since 1881. Therefore, we claim that we have well served the purpose for which we have been created under the beneficent policy of protection from our Government. As an illustration of what we have done in this direction, yarns which sold for 45 cents per pound are to-day furnished for 30 cents per pound; yarns which sold for $1.25 per pound are to-day furnished for 85 cents per pound. This gives you a true statement of what has been actually done by our own competition. Having been such valuable aid for these industries which have also grown so rapidly, we feel that we should be kept in the service, and that we should not be handicapped by any reduction or change in the present schedule on cotton yarns. I think you will agree with me that we have dealt fairly with the consumers, giving them for many years better and cheaper goods than our competitors, and we now ask that you deal fairly by us. In reducing the cost of these yarns to the present low valuations we have exhausted every resource to cheapen our cost in their manufacture by modern and improved machinery, reducing the cost of supplies, and all other items which go into its cost. Labor all this time having advanced, now our only resource would be, of course, to reduce our labor, and any changes which you make here on the tariff schedules, if adopted by the present Congress, will simply force us to cut the wages of our employés. Our mills are built to run; our stockholders own them; we do not owe anyone anything on them, and we shall continue to do business as we have done heretofore, and I say here, that whatever of protection is abated from our protected industries will surely come off the present wages of our employés; they will have to bear it notwithstanding all the asser-

tions to the contrary, and if we can not pay our employés as we are now doing owing to the action of the present Congress in lowering the duties, they will fully understand the situation and realize what has brought it about. The cotton mills of America will do business. You have it in your power to regulate the wages of their employés. Will you give them bread or a stone? Workingmen are beginning to suffer for want of employment. This will become more intense as winter sets in. It is foolish to think that our business will improve until you remove this dreadful uncertainty hanging over our industries. The stockholders of our mills have become alarmed and have been told that revision of the tariff affecting their interests are likely to obtain, and consequently they have been preparing themselves for it by shortening production, and will not resume until the relative conditions of the productions and cost of labor are adjusted upon a permanent basis. So whatever is done let it be done speedily; if it is to be good we want it now; if not good we want the rest of our lifetime to recover in, and we hope that you will settle this question on or before January 1, 1894, if not then, defer until January, 1895, so that the business for the year 1894 can be assured. Shall I repeat, whatever is done do it quickly, settle this terrible uncertainty for our manufacturing industries and give us a rest; let the business interests of the country alone and give us a chance to have peace and follow our avocations.

A well-known textile paper of Boston sent out in August inquiries to the idle mills as to the cause of their shut-down. They received 448 replies. Of these 446 said, "Cause due to business depression," and a very large number stated explicitly that blame was due to the tariff revision, and that the business depression was caused by the uncertainty as to the tariff legislation on their industries. While on this point I would like to read you a letter received by myself from one of our foreign competitors, which intensifies the situation and shows you how eagerly our competitors are seeking our market for their productions, and we know this to be the best market in the world, and are satisfied with it if we can only have it. Of course this is from only one source, and there are hundreds, and, perhaps, thousands, who are doing just the same as this man shows by his enterprise.

I will not read the letter. It is in a package here: but he wrote me (a rather strange thing that he should have done so) that he was on his way from England to America for the express purpose of building up his business in this country, as he understood the duties on fine cotton yarns would be reduced by the present Congress, and he would call upon me, and if I could not manufacture he would be glad to serve me, so I could serve my customers. That is only one instance out of a great many.

Our business, in competition with our foreign competitors, is handicapped by several conditions, which I will here enumerate:

First. Our labor costs fully 60 per cent more than our competitors. Second. Higher cost of taxation upon our properties. Third. Higher interest charges for money. Fourth. Higher cost for transportation of merchandise. Fifth. Higher cost for supplies.

To give you an illustration of taxes on American as compared with English, as follows: Let us compare the tax on a 50,000-spindle cotton mill, in Bolton, with that of a similar one in Massachusetts. Consul Shaw gave the tax on a 72,000-spindle mill in Bolton, in 1878, as follows: District and poor rates, $1,800; Government tax, $200; total, $2,000. At that rate the tax on a 50,000-spindle mill would be $1,389.

The mill in England pays no other tax except the income tax of the stockholders.

In Fall River a 50,000-spindle mill would be assessed at about $750,000, at a rate of about 1½ per cent. This tax would amount to $11,250, a difference of $9,861 against the American manufacturer.

I quote now from a well-known ex-Senator (Chace of Rhode Island), who stated as follows:

> Having handicapped the rest of the world with a century the start, England says to all the nations, "Now come and trade with us on equal terms." They have subsidized steamers and opened mail facilities to every part of the globe, with the result that London is the banking center of the world. She gets a brokerage or commission on a very large share of the freight of the world. She borrows at 3 per cent and loans at usurious interest to all the nations. It has been assumed that the steam power of Great Britain is equivalent to the individual effort of 450,000,000 of men; the productive power of her machinery probably far exceeds that. With all these advantages in her favor it is hopeless for us to attempt to compete with her while we maintain our present system. It will be impossible for us to match our capital, which has been earning good returns, with theirs, seeking investment all over the world, and to compete with them and pay our own taxes while they saddle theirs on the trade of one-third the population of the world.

As an illustration of the higher cost of labor, we have in our midst in Fall River a new industry which has been recently located there for the manufacture of spool cotton. I refer to the Kerr Thread Company. They have an investment of $800,000 in their business. In an interview with their superintendent, who has worked for over twenty-five years in English cotton-spinning mills, and also their secretary, who has had a large experience in their business, they informed me that the labor in the American mills here costs them fully 60 per cent more than the same labor would cost for the same mill in England. I have the figures, if you desire them, through all the various departments of the mills, to verify their statements, given to me by their secretary and superintendent. Their superintendent also further informed me that the efficiency of the English laborer as compared to the American, in his opinion, was superior. Furthermore, that the most rigid economy was practiced in the English mills, which could not be tolerated here in America, and he said emphatically that the employés in his American mills could not do any more labor than the employés of his mills that he had run in England. In fact, the English employés, if anything, excelled them in efficiency and superiority of their work, so that so far as regards our industry, the laborers in our American mills can not perform any more work than those in similar mills in England, so that instead of reducing this schedule of the duty on cotton yarns, it should be increased, especially on the duties in the second, third, and fourth sections of the schedule, as it is a fact to-day that about $700,000 worth of these fine yarns are imported annually, which should be made in these American mills by American labor and sold to our home consumers. Give us a specific rate of duty instead of an ad valorem; the latter admits of serious frauds in undervaluation. With this condition of our business we feel that you will not for a moment recommend any reduction of the present schedule of duties.

As an illustration, yarns that we ought to be receiving 80 cents a pound for are now being sold in our market for 65 cents by our foreign competitors. I could give you many more illustrations along the same line. Take it in fine counts, from 70s, 80s, and 100s, the present duties do not protect us, and we are forced to give up the manufacture of these fine counts to our English competitors. Although this is very humiliating to us, after having brought the prices down fully 33⅓ per cent, to have these fine counts made in England, and we hope that you will

take into consideration this matter and rectify it, both for us and also for the spool-cotton industry, who are suffering as well as ourselves upon these fine numbers.

The profits in our business have only been moderate, and what would be regarded as only a fair return on the investment which we have made in the business, and which our stockholders are justly entitled to, and we feel that our particular industry should receive at your hands very careful and serious consideration in view of what we have done in aiding and building up other industries in this country, and I refer especially to the magnificent knit-goods industry, which has been so ably represented here to-day, in which millions of capital has been invested during the last ten years, and which we hope will not be imperiled by any adverse legislation.

In tariff revision, gentlemen, I venture to remark that you will find a very much more difficult problem than the regulation of the finances of the country. The stagnation and business depression which has been, and is now, extending over the manufacturing interests of this country, especially in the cotton, woolen, and knit goods industries, comes from a fear of this revision of the tariff, and fears as to its results. The statements have been made that it shall be done and that protected industries will suffer. Buyers, therefore, will not order goods now which are sure to be sold at lower rates should this follow. Manufacturers, therefore, have stopped their mills, and a great many of them are stopped to-day and will not start up until you say what is in store for them. In the meantime, idle workingmen are turning their faces toward Washington, looking for relief, and to see what you are going to do for them. It is but natural that the manufacturers avoid the ownership of goods that may seriously depreciate in value should a reduction in duties follow, and they will not start up the wheels until this matter is settled, and it should be done at once.

Mr. SANFORD. Mr. Chairman, there are other gentlemen here on the cotton question, and I understand the time is limited, and I hope you will take part of my time. One of the gentlemen to whom I refer is Mr. Chase, of Fall River, treasurer of the King Phillip Mills; and also Mr. Baker, agent for the Eades Manufacturing Company.

Mr. BRYAN. You spoke of taxes being heavier in this country than abroad.

Mr. SANFORD. Yes, sir.

Mr. BRYAN. Do you make that statement after investigation?

Mr. SANFORD. Yes, sir.

Mr. BRYAN. What is the value of your plant at this time?

Mr. SANFORD. The value of our plant is $1,200,000, and we pay a local tax at Fall River of about $12,000.

Mr. BRYAN. What were your taxes last year?

Mr. SANFORD. Our taxes were between $19,000 and $20,000.

Mr. BRYAN. You do not pay any income tax, which they do in England?

Mr. SANFORD. No, sir.

Mr. BRYAN. You commenced in 1881 with $175,000 capital?

Mr. SANFORD. Yes, sir.

Mr. BRYAN. And now your capital is about how much?

Mr. SANFORD. Twelve hundred thousand dollars.

Mr. BRYAN. You said something about another mill.

Mr. SANFORD. We have built another mill—the Sanford Spinning Company.

Mr. BRYAN. Has the new mill been built of capital taken from the profits in the business?

Mr. SANFORD. No, sir; money paid in.

Mr. BRYAN. By the same stockholders?

Mr. SANFORD. Yes, sir.

Mr. BRYAN. Have you ever issued any new stock on this?

Mr. SANFORD. Only by getting 100 cents of money for every dollar.

Mr. BRYAN. What have been the profits to the stockholders since you began?

Mr. SANFORD. The first three years about 6 per cent, and the last five years about 8 per cent.

Mr. BRYAN. And you never made over about 8 per cent?

Mr. SANFORD. No, sir.

Mr. BRYAN. And this money which is gone into the new enterprise has been outside money not made in the business?

Mr. SANFORD. Yes, sir.

Mr. BRYAN. You say the price of some kind of yarns fell from 44 to 30 cents a pound; when was it 45 cents?

Mr. SANFORD. About 1882 or 1883.

Mr. BRYAN. Now it is 30?

Mr. SANFORD. Yes, sir.

Mr. BRYAN. What was the price in 1882?

Mr. SANFORD. I can not tell you. I can go back, but it would not vary more than 1 or 2 cents a pound.

Mr. BRYAN. You mean the price of cotton in 1882 was not more than 1 or 2 cents a pound more than it is now?

Mr. SANFORD. I can not remember exactly.

Mr. BRYAN. Cotton is a very material part in the price of the yarn?

Mr. SANFORD. Not very heavy when you take the labor cost of 30 per cent.

Mr. BRYAN. What proportion is cotton?

Mr. SANFORD. Raw material and supplies would go up to about 40.

Mr. BRYAN. In the material?

Mr. SANFORD. Yes, sir.

Mr. BRYAN. Then a fall in the price of the material would enable you to reduce the price of the product?

Mr. SANFORD. It has not been the fall in material, at all——

Mr. BRYAN. What has it been?

Mr. SANFORD. It has been the increased speed of the machinery, and improved machinery we have adopted.

Mr. BRYAN. Then competition is not the cause?

Mr. SANFORD. Certainly it has something to do with it, of course.

Mr. BRYAN. You stated in your paper competition was the cause of this reduction?

Mr. SANFORD. Our internal competition has been more or less large. That has had more or less to do with it, certainly.

Mr. BRYAN. Now, you say it was the increased speed of your machinery; what proportion is due to the decreased cost of the product and what proportion to competition?

Mr. SANFORD. I could not give the details in percentages. We used to run spinners about 7,000, and now we run them about 8,500.

Mr. BRYAN. Suppose you put out a dollar for a certain amount of work, do you get more work for that dollar paid in wages to-day than in 1882?

Mr. STANFORD. I think we get a little more production.

Mr. BRYAN. So that the labor cost has fallen since 1882?

Mr. SANFORD. You might consider it that way, but at the same time wages have not fallen.

Mr. BRYAN. It is not a question of wages, but labor cost?

Mr. SANFORD. It has been reduced somewhat.

Mr. BRYAN. Then your labor cost has decreased?

Mr. SANFORD. Yes, sir; by the increased speed of machinery and other facilities we could bring to bear upon it. We have got to a point where possibly we may have to go back.

Mr. BRYAN. You are sure you have got to the end?

Mr. SANFORD. I know I can not run any faster, and I can not buy supplies any cheaper.

Mr. BRYAN. You know that there will be any improvement in machinery?

Mr. SANFORD. There may be, possibly; but if you knew anything about cotton spinning you will agree with me that we have about got to the limit.

Mr. BRYAN. There has been great progress?

Mr. SANFORD. Let me say right there, it is an open question between our manufacturers. Some say we are doing ourselves an injury to the value of our machinery; that while we are fancying we are making more, we are getting it on the other end by throwing out that machinery every five or six years and putting in new.

Mr. BRYAN. You say you will reduce wages if the tariff is reduced?

Mr. SANFORD. Of course; what else can we do?

Mr. BRYAN. Your interest in the laborer is simply a business interest?

Mr. SANFORD. I ask no further than that. I would rather see the labor of the United States well housed, well fed, and kept well, than to see them as they are on the other side.

Mr. BRYAN. But rather than reduce your profit below 8 per cent you would turn them out?

Mr. SANFORD. I am willing to reduce profit to a certain extent. Do not you think 8 per cent is a pretty small profit when you consider everything; would you like to put some of your money in it?

Mr. BRYAN. I am not on the stand, I am simply questioning.

Mr. SANFORD. All right; I thought you were not on the stand.

Mr. STEVENS. You stated the taxation was between $19,000 and $20,000 on your capital?

Mr. SANFORD. Yes, sir.

Mr. STEVENS. Do you know what the rate of taxation would be abroad on the same capital and the same amount of labor?

Mr. SANFORD. I said, if you remember, on the 50,000-spindle mills it would be $1,400 as against $11,000 at Falls River.

Mr. STEVENS. What is the average life of your machinery?

Mr. SANFORD. We do not know whether we are on the right tack, but I should judge our machinery has to be thrown out in less than 10 years to renew it.

Mr. STEVENS. Is that about the average life of the machinery?

Mr. SANFORD. Yes, sir; in our number one mill, which we built in 1881, I have frequently seen them throw it out on the scrap heap.

Mr. BRECKINRIDGE. What numbers do you make in yarns?

Mr. SANFORD. We make all numbers; we have four mills, and make all grades.

Mr. BRECKINRIDGE. So that your product covers all?

Mr. SANFORD. Yes, sir; high grades, very fancy qualities of yarn, *comb yarns*, for the kit-goods industry.

Mr. BRECKINRIDGE. You have not any production from the finest yarns?

Mr. SANFORD. Oh, yes; we have one mill that cost $750,000, especially for this 80, 90, and 100; but we can only run the mill on forties, fifties, and sixties.

Mr. BRECKINRIDGE. Your business is to make yarn and sell it?

Mr. SANFORD. To everybody who wants yarn; we turn out 165,000 pounds per week.

Mr. BRECKINRIDGE. What difference is there between the price of your yarn and the same number sold to the weavers or dealers in England?

Mr. SANFORD. I could not answer that very well, unless you would give me information in regard to quality, number, etc.

Mr. BRECKINRIDGE. I mean of the same quality?

Mr. SANFORD. You take No. 40 yarn in England, and I think it can be sold for about 20 cents.

Mr. BRECKINRIDGE. What is it sold for here?

Mr. SANFORD. Twenty-eight cents.

Mr. BRECKINRIDGE. About that difference runs through all of it?

Mr. SANFORD. No, sir; some there is more marked difference than that. Take the finer numbers; take the English No. 56 yarn, sold in England at 22 cents instead of 34 here.

Mr. BRECKINRIDGE. The difference ranges along that?

Mr. SANFORD. It might be proper for me to state in this connection that Mr. Davis, the secretary, told me he was completely knocked out; that he could not make a pound of 70, 80, 90, or 100 yarn.

Mr. BRECKINRIDGE. Could not you give a table stating the comparative prices of yarn?

Mr. SANFORD. I have it.

Mr. BRECKINRIDGE. Is that in your testimony?

Mr. SANFORD. No, sir; but I can give it before I go away. I would be glad to give it to you.

Mr. BRYAN. You say this yarn you produce is sold to other manufacturers in this country?

Mr. SANFORD. Yes, sir; and we have been the basis of making diversified businesses; we have brought other industries into existence which were never thought of before we went in this business.

Mr. BRYAN. You sell to them your 34-cent yarn, which they can buy in England at 22 cents?

Mr. SANFORD. It is not as good quality.

Mr. BRYAN. But taking the quality?

Mr. SANFORD. It would be about 10 cents a pound cheaper there than here.

Mr. BRYAN. Then your tariff on your product is 10 cents a pound burden on the man who buys of you?

Mr. SANFORD. We might argue on that way from now till to-morrow morning and I should not agree with you on that.

COTTON THREAD.

(Paragraph 342.)

AMERICAN SILK LABEL MANUFACTURING COMPANY.

New York, September 4, 1893.

SIR: As the manager of the above company I request you to give this matter your consideration. We are manufacturing woven labels and trimmings used by clothiers and shirt manufacturers. Our plant consists of 78 Jacquard looms; we employ over 100 hands, 75 per cent of skilled male labor, balance of boys and girls, and represent a capital of $150,000.

The component part of our work consists mostly of fine cotton, No. 200, of which please find inclosed a sample. This yarn we import from England, and the duty on the same is 50 per cent ad valorem. These fine yarns we can not spin in our country, owing to the lack of moisture in the atmosphere, and no effort has ever been made to spin and gas the same in the United States for the trade. Prior to 1884 the duty on these yarns was 35 per cent; for nine years past the duty remains 50 per cent. Under the so-called Mills bill it was proposed to have the same reduced to 35 per cent as formerly; but under the McKinley bill it still continues the same, viz., 50 per cent.

As this material has never been made in the United States is it possible that the duty on the said yarns can not be reduced 15 or 20 per cent, as it would injure no one, and give us a chance to compete with our foreign competitors? We can not sell to Mexico or South America, and even in our own country these Europeans undersell us on large orders.

The duty on these yarns in Germany and France, imported from England, is a trifle, besides, we have to pay about two-thirds more for labor in our country than they do in Europe; so you can readily conceive that the chances are altogether against us.

Respectfully yours,

AMERICAN SILK LABEL MANUFACTURING COMPANY,
GEORGE HEY, *Manager.*

SPOOL COTTON.

Paragraph 348.

WEDNESDAY, *September 20, 1893.*

STATEMENT OF MR. A. C. DUNHAM, REPRESENTING THE SPOOL-COTTON INDUSTRY OF THE UNITED STATES.

Mr. CHAIRMAN: I represent the spool-cotton industry and fine cotton-yarn industry, and we would respectfully request to submit a brief, and as your time seems to be well taken up we are willing to submit our brief and leave the matter in your hand.

WASHINGTON, D. C., *September 20, 1893.*

GENTLEMEN: The spool-cotton industry employs in the United States $25,000,000 in fixed and floating capital, and 15,000 employés. *It differs widely* from any other industry, from the fact that three-fifths

of this capital is owned and used by corporations which are offshoots of corporations in Great Britain. In fact, foreign manufacturers have invested in this country, in coöperation with resident stockholders, $15,000,000 for the manufacture of spool cotton, all of these manufacturers being engaged in the same business in Scotland and England, controlling, outside of the United States, two-thirds of the entire spool-cotton business of the world.

The $10,000,000 invested exclusively by American owners was drawn into the business by the very high tariff of 1864, which was imposed to meet the pressing necessities of the Government.

The duty on spool cotton imposed at that time was 12 cents on each dozen of spools containing 200 yards each, and, in addition, 32½ per cent ad valorem, a dozen of 200-yard spools being the invariable unit of sale to the trade. This duty, however, was imposed on units of 100 yards, in order to stop the practice of short measure which existed as a method of unfair competition at that time, and which, in consequence of this division of the duty, disappeared.

This duty of 6 cents on each 100 yards, and 32½ per cent ad valorem, was equal to 21 cents on each dozen of spools of 200 yards, and under this duty the business was gradually transferred to the United States.

In 1861, under the duty of 30 per cent ad valorem, nine-tenths of the spool cotton used in the United States was imported. Now more than nine-tenths of this spool cotton is made here, and three-fifths of this is made by offshoots of the same firms which sent it here in 1861. In 1861 the price of spool cotton in the United States was 47½ cents net per dozen. For the past four years the price of the same goods has been 38 cents net per dozen for same grade of goods.

In 1861, under the duty of 30 per cent ad valorem, spool cotton retailed in the United States at 5 cents per spool, and now retails at 4 cents per spool.

It will be observed that while the consumer of standard spool cotton in the United States now gets a spool of thread for four-fifths of the price in 1861, the profit of the jobber and retailer remains the same.

In 1861 the price of standard spool cotton in Great Britain was 26 cents net per dozen spools of 200 yards each. The price for same goods to-day is 28 cents net. If these figures are examined, it will appear that the English manufacturer in 1861, when the duty was less than 8 cents (at 30 per cent ad valorem) received in this country for his goods the English price of 26 cents per dozen, plus the tariff of 21 cents, which was afterwards imposed in 1864. It is fair to state that both in England and in the United States 25 per cent more value in quality is now given at 28 cents per dozen in England and 38 cents in the United States than was given in 1861 at 26 cents per dozen in England and 47½ cents in the United States.

It appears that while in Great Britain the price of spool cotton is 2 cents higher per dozen than it was thirty-two years ago, in the United States it is 10 cents lower—a total difference of 12 cents per dozen.

The duty on spool cotton since 1864 has never been increased, but has been at different times reduced until it now stands at 14 cents, or two-thirds of the duty of 21 cents imposed in 1864.

This duty has not changed since 1883, but has continued uniform. The price here, however, since 1879 (when specie payments were resumed) has fallen from 49 to 38 cents per dozen, a decline due solely to the active competition in the home market.

As a consequence of this decline in price, the capital employed in

this industry in the United States has earned less than 4 per cent per annum during the past four years, while the capital employed in Great Britain has earned over 8 per cent.

Since 1861 the wages paid in this industry have risen 81 per cent in the United States, reckoning the amount paid per week to each employé, which in 1861 was $5,35 per week and in 1892 $9.70.

Our present wages are more than double the wages now paid in this business in Great Britain. From these figures it appears that in this country the wage-earners have absorbed not only the advantages which have accrued to the manufacturers from improved methods, various inventions, and better machinery, but also have absorbed at least one-half of the fair earnings of capital. In Great Britain capital still secures its share, probably because it has combined. There is here no uniformity of price and nothing which resembles a trust.

In the production of standard six-cord spool cotton the labor is two-thirds of the cost.

It would seem to be clear that, if the product of spool cotton should be exposed to competition with the labor of Great Britain, either wages must be reduced here or the business be transferred back to England and Scotland.

We present to this honorable committee these facts, and believe that they warrant the following conclusions:

First. That the American people have not paid for spool cotton more than would have been paid under the duty of 1861. The prices of this article from 1862 to 1879, like other goods made from cotton at famine prices, and subject to the fluctuations of a gold premium, can not be considered in this argument. Since 1879, the price has uniformly averaged less than the price under the duty of 30 per cent ad valorem in 1861, and during the last four years has been 10 cents per dozen less and 1 cent per spool less to the consumer, while the price of spool cotton in England, of same quality, and made by the same manufacturers, is higher than in 1861.

Second. The present low price of thread in the United States, which has existed for four years, is due to American competition, and that this competition can not be continued at a lower price without a reduction of wages.

Third. That any duty, unless so low as to replace the industry in the hands of the foreign manufacturers, could not benefit the consumer, as a spool of thread if sold below 4 cents must be sold at 3 cents; consequently only the middleman could benefit by any change.

Fourth. The arguments which favor an ad valorem duty on many goods do not apply to spool cotton, owing, in large part, to the unit of sale, as just made to appear, on which a change of price to the consumer would involve at the present price of 4 cents a spool, a jump one way or the other of 25 per cent, whether this change of price should be to 3 cents or 5 cents.

On the other hand, an ad valorem duty would, in this industry as in others, expose us to all the disturbances in business in Europe, like war, business panics, and overproduction, making competition more acute when it should be lessened rather than increased, and would also revive the old frauds of short measure, invoicing goods purchased in one country at the lower price of another, and the like.

We respectfully petition your honorable committee that the duty remain specific, and that it be not reduced, believing as we do that any reduction can not possibly benefit either the Government or the consumer, but could only enrich the middlemen at the expense of the *manufacturer*.

FINE COTTON YARNS.

The question of duties on fine cotton yarns is much more complicated than the question of duties on spool cotton. Under the present duties—which have only slightly varied since 1883, when the duties were reduced about one-fifth and made specific—there has been a steady increase in the production of fine cotton yarns in the United States, and the industry seems to have taken root. It is subject, however, to the most strenuous foreign competition.

In a district in Lancashire, say 30 miles square, five-ninths of all the cotton spindles of the world are owned and operated. Out of the entire 90,000,000, 50,000,000 run in this district. All of the mills in which these spindles run make cotton yarn, and make nothing else, selling it on the cop, for use in all kinds of cotton goods made there, and in other parts of the world.

The labor in these mills is of the best quality of its kind, the Lancashire lass being famed, not only in Great Britain but wherever known. Two years ago, in Glasgow, a public speaker urged that Scotland should be allowed two hours per day extra, for mill work, because even with this allowance the Scotch girl could not compete with the Lancashire lass. This is particularly the case with the half-timers, so called, who go into the mills at the age of 10, but under the recent education laws must spend half of their time in school, and these girls, with a good common-school education, and their early mill training, are wonderfully expert in textile work.

The machinery of these mills is of the latest and best makes, and their management, being in a compact district and under acute competition, is of great excellence.

If a raw material is an article produced without the use of a costly fixed plant—a plant also which is only adapted to a particular product—certainly the yarn of Lancashire is far from being a raw material, for these vast mills cost $300,000,000 and would be worthless if cotton yarn should not be wanted.

These mills of Lancashire are benefited by long experience, enjoy the use of cheap money, and use the best class of labor in the world for their purpose, which labor is paid just about half what is expected for the same service in the United States.

When one knows Lancashire, it ceases to be surprising that there is a large importation of fine yarns under the present duties in the United States.

One of the corporations here represented paid in 1891 and 1892 $90,000 in duties on fine yarns. Still, under the present duties, the increase in the production of fine yarns has been steady and cumulative in this country for ten years. This movement might, however, reasonably be expected to be reversed under a lower duty, and the business would certainly cease to exist under a considerable reduction of duties.

We submit to this honorable committee the suggestion that this would be a serious misfortune, not only to the manufacturers engaged in this industry, but to the producers of fine, long-stapled cotton, and also to the country at large.

The long-stapled cottons of which Georgia, Florida, and South Carolina produce 50,000 bales would, in that event, practically have but one market. The continent now takes about 2,500 bales of this sea-island cotton, and the balance of 48,000 bales has for the past six years been about equally divided between our Northern mills and England.

It would seem to us important that this valuable industry in the

Southern States should not be exposed to the loss of half its customers, particularly as Great Britain controls the Egyptian crop, and English spinners are already mixing sea-island and Egyptian cotton in various proportions. It may be said that this cotton will still be consumed in England, but will not the producer suffer in price, if Liverpool makes the price, without competition, especially as Egyptian cotton sells at about half the average price of sea island?

In the next place, can this country afford to lose an industry of so valuable a character? A successful Lancashire spinner said lately that England was rich because she bought backache and sold brains, meaning that England bought raw materials and sold invention, skill, experience, and good taste in the shape of manufactured goods.

We respectfully suggest that many millions of dollars have been invested in this business of fine cotton yarns; that the business is young, although at present, robust; that this industry employs a high order of skilled labor, and employs three times as much labor, in proportion to the cost of finished product, as coarse yarns; that the prices of the products are steadily receding, although as not yet as in spool cotton, below duty level; that it would be a peculiar hardship to make unremunerative a large capital invested in this industry within the past three or four years; that these yarns now yield a large revenue, and under a low duty, would probably yield a smaller revenue. For instance, from 1856 to 1860 inclusive, under a duty of 24 per cent, the duty paid the custom-house was not one-quarter what it was from 1876 to 1880, inclusive, under the highest duty ever imposed.

We, therefore, respectfully petition that the duty on fine yarns costing 40 cents and over be not changed.

COTTON-BACKED SATIN.

(Paragraph 345.)

I beg to call your attention to a single article of im
interest of manufacturers, should be placed upon the
of the materials used in the manufacture of hats—
satin, which is used to line them. It is bought by
from the importer at prices ranging from 30 cents
The duty on this article is 10 cents per square yard v
addition of 35 per centum, making a difference of at le
to the manufacturer. The average cost of an $18-c
creased by this lining from 75 cents to $3 per dozen.
only oppressive, but absolutely unnecessary in a pro
of very little value, comparatively, as a matter of reve
a yard of this cotton-backed satin made in this count
ufacturers will not undertake it. It does not pay.
manufacture of silk, therefore, is an outrage, and it
upon the free list.

It is the same way with the hatters' silk plush, t
has been lowered gradually from 55 down to 10 per c
a yard of it made in this country; attempts have be
facture it, and so far as textile and general strengt
concerned it is quite equal to that of any foreign
abandoned because we have not obtained the secret
and the plush hat which it covers is not covetable

months it turns a beautiful brown color. I do not complain, however, of this slight duty, because 10 per centum is very little, and as a revenue measure it may be expedient. Cotton-backed satin, however, has no such defense and should not pay duty. It acts not only oppressively on the consumer, but it interferes with the labor of men employed in hat manufactories. There are only a certain number of heads in this country to be covered by hats, and if the market of manufacture be confined entirely to this country, when he has filled this probable demand he either closes down, cuts wages nominally, or cuts them quite as much by working on half time. When the cost of the manufactured article be reduced, and the cost of the raw material has been so cheapened that his surplus can be thrown into the foreign markets, he has no need to curtail labor or reduce wages. The duty on this article can not be defended either from a revenue or protective point of view.

Yours, truly,

THOMAS DUNN ENGLISH,
Representative Sixth District, New Jersey.

COTTON CLOTH.

(Paragraphs 344-348.)

STATEMENT OF WILLIAM C. LOVERING, OF TAUNTON, MASS., COTTON MANUFACTURER, REPRESENTING THE ARKWRIGHT CLUB.

WEDNESDAY, *September 13, 1893.*

Mr. CHAIRMAN: In order to be as concise as possible, and to take up as little of your time as possible, I have prepared a few statements in writing and beg your attention while I read them:

The cotton manufacturers of New England are largely represented by the Arkwright Club, which is made up of the treasurers of the different corporations and represents an aggregate capital of nearly $70,000,000, divided among many thousand stockholders. A committee of this club is here in behalf of the cotton interests of New England. Were it simply to plead for the mill-owners and stockholders alone, I, for one, should not be here. But another and far more important interest is the welfare of the great population of New England dependent upon her manufacturing industries.

New England is not an agricultural or a mining region. Her fisheries and commerce have long since entered upon their decadence. Beyond her hay and ice crops she contributes but an unimportant part of the natural products of our country.

'Tis not always June in New England, yet I would not exchange it for any other home in the world. The climate is a rainy climate, hence the pursuit of her great industries must be carried on beneath shelter. Though trammeled by many natural disadvantages, she has, by reason of her manufactures, become an enormous consumer of the products of all the other States in the Union.

It is impossible to take any step which will impair the prosperity of the manufactures of New England, or of the cotton manufacture in particular, without immediately, directly, and largely attacking the prosperity of the whole country. The cotton manufactures of this country have substantially occupied the American market. The census of 1890 reports a total value of woven cotton goods produced in

this country of $198,750,000. The total value of cotton cloth imported during the year ended June 30, 1892, was but $4,600,000. The total value of cotton goods manufactured at home in 1890 was $268,000,000. The total value of all cotton manufactures imported, including wearing apparel, was less than $16,500,000. Inasmuch as it is inevitable that any legislation which increases the proportion of imported goods must be at the expense of domestic manufacturers and of the working people employed by them, and inasmuch as New England employes 76 per cent of the spindles in operation, and employes in this industry 150,000 operatives, it is evident that the conditions under which the manufacturers of New England occupy the home market cannot be greatly disturbed without creating a danger of widespread disaster.

But it is not frequently considered how important to the country, as a whole, is the prosperity of New England, and the full employment of its vast army of people engaged in manufactures. A moment's consideration will lead the committee to observe that while there is no other section of the country so densely populated as New England, there is also no section which produces so small a proportion of the articles needed to support life and to carry on manufacture. With three-fourths of the spindles of the country, it produces not a pound of cotton but consumes one-fifth of the cotton crop of the United States, and was thus a consumer of the South for this one article alone in 1890 to the value of nearly $77,000,000. It grows less than 4 per cent of the wool grown in the country, but uses one-half of the total clip. It mines not a pound of coal, but uses not less than 10,000,000 tons in its homes and factories. Of all articles of food for man and beast it produces a sufficiency of hay and potatoes only, and is a customer of the West for not less than 3,000,000 barrels of flour. Manufacturing fully three-fourths of all the boots and shoes worn in the country, it is of necessity the purchaser of a very great proportion of the hides which are to be tanned into leather. Its beef and pork are not raised at home, but are imported from the West. It is dependent upon the Northwest for its supplies of lumber to build its houses and factories. In short, there is no other section of the country which is required by its lack of natural resources to draw upon other parts of the country for anything like so large a proportion of all that it must eat and wear and manufacture. In this respect it is even more startlingly dependent upon communities without itself than is old England, which contains vast stores of iron and coal, and produces a very material part of its food, while New England is almost totally lacking in all these resources.

It is not necessary to dwell at length upon the bearing of these facts upon the question whether protection to the cotton manufacturers should be continued or suddenly withdrawn.

The question is whether it is desirable at this time to hazard the welfare of a community which, man for man and family for family, consumes a larger part of all the products of the country than any other section.

Whatever prosperity has resulted from protection to our section of the country, has been shared most liberally by all of the people. The greatest benefit from protection has accrued to the working people and not to the manufacturers.

The great fortunes of our country have been made not in manufacture, but in commerce, railroads, mines, and real estate. There is a difference between America and Great Britain in respect to cotton manufactures. Here the working people have been elevated and prospered

as much as the mill-owners, while there the mill-owners have been enriched rather than the working people.

The difference in the condition of the people in the two countries is substantially equal to the difference in their wages. We hear it said that cotton manufacturing has outgrown the swaddling clothes of infancy and no longer needs any protection. There is this to be said in answer: The wages of the American operative compared with those of the British operative are relatively higher to-day than they were sixty years ago. And furthermore the great advance in international communication has so cheapened transportation as to bring the foreigner nearer to our shores and has minimized the protection that 3,000 miles of ocean travel once afforded.

To illustrate this fact, consider the great change which has taken place in the methods of doing business in the last thirty years. In 1860 the initiative in the importation of cotton goods would be taken by the American merchant, who would send or go to Europe, purchase his goods, and receive them after a lapse of two months or more. At present the foreign merchant has his agents, with their samples, in New York, watching American markets and ready to respond at a moment's notice to any favorable conditions for shipping goods here. He has at his disposal the telegraph cable and several lines of ocean steamers, which cross the Atlantic in a week, competing for freight. The cost of transportation is so much lower than it was thirty years ago that it forms a smaller percentage of the cost of goods than it formerly did, and is so insignificant an amount that it hardly reaches the retail price. But aside from this reduction in the cost of transportation, the change of method has diminished the power of any given rate of duty to protect the American market against foreign goods, because the risk which comes from the long interval between the time the goods are ordered and the time they are put upon the market is completely eliminated. The importer now knows exactly what his advantages and disadvantages will be, whereas formerly he was forced to estimate the conditions of the market three months in advance. A bale of cotton can be laid down in Liverpool, England, as cheaply as it can be laid down in New England. Every pound of cotton used in New England is brought an average distance of 1,000 miles and every pound of coal an average distance of 500 miles.

It is not infrequently remarked that it is illogical to protect the mill operative and not protect the bricklayer, the mason, and the carpenter. It is easily seen that the bricklayer is protected in that no foreign handicraft can compete with him, while the product of foreign mill operatives can be easily transported the world over. A few dollars will provide the building artisan with his necessary tools, while before a yard of cotton cloth can be made there is an expenditure for the necessary tools and machinery equal to $1,000 for each and every operative employed. And just at this point let me explain to you what is an unseen, but always a heavy expense in running cotton machinery. There is no class of machinery that runs at such a rapid rate of speed and wears out so fast, and a manufacturer very soon finds that his mill has grown old, and that the machinery is superseded by improved machinery. So that while he may have a new mill to-day, seven years' running will, so far as the machinery is concerned, reduce the value at least one-half. These conditions are not always provided against, but the manufacturer who ignores them finds to his cost that he is soon impoverished.

Mr. Chairman and gentlemen, in approaching the cotton schedule

with view to revision, we beg you to bear in mind that it is not an excessive tax, and the rates imposed are not out of proportion to the difference in American and foreign wages. It was only upon the finer, higher grade of goods involving a large cost for labor that a slight advance was made. The duty on medium and coarse goods was reduced. In any readjustment of the cotton schedule of woven fabrics we earnestly emphasize the importance of preserving the form and character of the present schedule, as it has worked most satisfactorily, and is calculated to prevent undervaluations and defrauding of the revenue.

I beg to remind you that while we appear here in the behalf of the cotton manufacturers of New England that cotton manufacturing is no longer an exclusively New England industry nor is it confined to the Northern States. It is fast becoming national. The increase in the Southern States is surprising, and I may say that Northern spinners are not without some apprehension that they may lose their supremacy. Five years ago, 1889–'90, the Southern mills consumed 480,000 bales. This year they have consumed 744,000 bales, an increase of 264,000 bales, or 55 per cent.

While the Northern mills have increased 200,000 spindles in the last year, the Southern mills have increased 163,154 spindles in the same time.

While you are sitting here, gentlemen, and at the very moment we are discussing this question, there are thousands and thousands of idle workmen all over the land waiting anxiously to see what you are going to do, whether your action is going to be such as to continue them in idleness or such as will restore confidence to the business world and return them to their work.

Whatever course you may be inclined to take in this matter, we beg you to bear in mind and believe that we honestly maintain the position we take when we say that you should exercise the greatest caution in making any change in a law that has brought so much good to every one and so little harm to any one in our entire country.

I only appear here as a representative of one branch of cotton manufacture. There are other men here who represent the various departments of the industry in which I am interested. I particularly appear in behalf of cotton goods and woven-textile industry, and I should be pleased to answer any questions that I am able to answer.

Mr. BRECKINRIDGE. Does that include hosiery and underwear?

Mr. LOVERING. It does not. I understand that there are gentlemen present who appear in behalf of those articles.

Mr. BRECKINRIDGE. Define what you mean by "woven textiles?"

Mr. LOVERING. I mean fabrics woven in a loom with warp and filling.

Mr. BRECKINRIDGE. I thought that was usually called cloth?

Mr. LOVERING. Yes, sir, it is; cotton cloth.

Mr. TURNER. Where is your industry located?

Mr. LOVERING. In Taunton, Mass. Ours is a colored mill. We make a variety of colored cotton fabrics.

Mr. TURNER. You use "upland" cotton?

Mr. LOVERING. We use "upland" and "gulf."

Mr. TURNER. And "Sea Island?"

Mr. LOVERING. No, sir; we do not use any Sea Island, but I am interested in a mill that does.

Mr. TURNER. Do you import any cotton?

Mr. LOVERING. I do not.

Mr. TURNER. I believe the use of common Egyptian cotton has largely increased in New England?

Mr. LOVERING. I believe it has in some of the finer mills.

Mr. TURNER. Do you think a duty ought to be put on Egyptian cotton?

Mr. LOVERING. It is immaterial to me. Upon the general principle of protection, it might be.

Mr. TURNER. Has there been an increased use of Egyptian cotton?

Mr. LOVERING. Yes, sir.

Mr. TURNER. You have not considered that matter much?

Mr. LOVERING. It has not been brought to my mind, not being especially interested in it.

Mr. TURNER. It is a competitor with sea island, is it not?

Mr. LOVERING. I understand so; it is finer fiber, but it is more irregular.

Mr. TURNER. About what is the average duty on goods that you manufacture?

Mr. LOVERING. It would be difficult to give the average duty.

Mr. TURNER. Is it as much as 5 cents per square yard?

Mr. LOVERING. I do not think it would be more than 3.

Mr. TURNER. What is the highest rate on goods which you manufacture?

Mr. LOVERING. Not over 3 cents a square yard.

Mr. TURNER. What is the style of these goods?

Mr. LOVERING. I make some coarse ginghams, cottonades for men's wear, and a variety of dress goods, beside striped shirtings.

Mr. TURNER. The American market is your only market?

Mr. LOVERING. It is almost entirely our only market. We have at times shipped some goods of a certain grade to India, made especially for that purpose.

Mr. TURNER. White goods?

Mr. LOVERING. They were white goods, and there were also some colored goods made by us.

Mr. TURNER. Do you send any goods to China?

Mr. LOVERING. No, sir.

Mr. TURNER. You speak of the present law having reduced the duties on those lower goods?

Mr. LOVERING. Yes, sir. It will be seen by my paper.

Mr. TURNER. These goods mentioned have had a lower duty put upon them in the last Congress. Do you make any of them?

Mr. LOVERING. Yes, sir.

Mr. TURNER. What style do you make, and if a lower rate of duty was fixed under the present law, would it make any material difference?

Mr. LOVERING. I have made very low-priced shirtings. I sell them at not over 6 cents a yard.

Mr. TURNER. These Southern mills that you suggest have prospered so and increased consumption of cotton to a certain extent are engaged almost entirely on that class of goods on which the duties were lowered?

Mr. LOVERING. The Southern goods are gradually growing finer. In the last five or six years they have gained from an average of 12 to that of 15 $\frac{7}{16}$. That would mean that the finer grades are found to be profitable.

Mr. TURNER. They are unable to compete with you in the finer grades of goods in the shape of cloth?

Mr. LOVERING. I know of no reason why they should not.

Mr. TURNER. I did not mean to say anything as to what they might do in the future, for I hope they will be able to compete with you.

Mr. LOVERING. The fact is that some of the very worst competition we have comes from the Southern mills.

Mr. TURNER. Are you aware that at the present time they are engaged on a class of cotton goods that find a market, and they can not compete with you on the finer goods?

Mr. LOVERING. Some of them are engaged on goods that go to foreign countries; but much of that class of goods have found their way to the New York, Chicago, and Western markets. I am painfully aware of that.

Mr. TURNER. I certainly wish you no harm, but I am glad that they are finding their way into the Western markets. They have had a trade with China at the South for some time. Have you such a trade in the North?

Mr. LOVERING. We have not.

Mr. REED (to Mr. Turner). You said "at the North."

Mr. TURNER. Mr. Lovering knows to what I am referring.

Mr. REED. You said "at the North;" and he is answering as to his own mill. Do you understand that, Mr. Lovering?

Mr. TURNER. This is a conversation between the gentleman and myself. He represents the Arkwright Club.

Mr. REED (to Mr. Lovering). Do most of the members of the Arkwright Club compete in the China trade?

Mr. LOVERING. Some of them do. I thought Mr. Turner was asking me, personally, as a manufacturer, and not as to those in the North.

Mr. REED. You misunderstand each other. You should not answer erroneously.

Mr. LOVERING. I should be willing to answer as a manufacturer or as president of the Arkwright Club.

Mr. TURNER. I was endeavoring to find out whether the mills in that line of product in New England were in that trade?

Mr. REED. There are mills in my own district engaged in that trade almost exclusively.

Mr. LOVERING. Those are the Laconia and Pepperill. I understand they have a large trade there.

Mr. REED. The Pepperill has been a long time in the China trade.

Mr. TURNER. What kind of goods?

Mr. LOVERING. White goods. I think they make colored goods sometimes; but they send a great many white goods.

Mr. TURNER. Twillings and plaids go abroad, do they not?

Mr. LOVERING. I am not aware of any plaids being shipped abroad except there may be some from the South.

Mr. TURNER. What proportion of cotton goods, if you can tell us, goes abroad for a market?

Mr. LOVERING. I am not prepared to answer that. I could get those figures and send them to you; but I would not undertake to give them offhand.

Mr. CHAIRMAN. There was 1,000,000 yards sent out in 1892.

Mr. LOVERING. Those were colored goods.

Mr. TURNER. If the American mills require protection on the basis of the present law, how is it that they are able to export so many of their products and sell them in free-trade countries?

Mr. LOVERING. One reason is that they are able, and have been able, to send goods to China through the superiority of their goods, and in that way they have acquired that market. They have not

given the foreigner the same class of goods that the English give them. In other words, they have put in a good deal of foreign material; they have put in barytes, or China clay. It is on the extremely low product that they are able to compete. They have the very lowest prices of goods that are made. It is a class of goods that is most easily made, involving the smallest amount of labor. It is not always that they can send them. They are frequently outbid, and have to find a market elsewhere. It has been so with the Pepperill mills, and the Laconia, quite frequently. They found sometimes that they could not sell the product.

Mr. TURNER. That is to say, they have been able to enter into other markets by the superior character of the fabrics. They have established a reputation in that market?

Mr. LOVERING. I think that is now largely in their favor.

Mr. TURNER. Is there no possibility that you can still further advance in this foreign progress? Is there a tendency to increase the list of goods you can sell abroad?

Mr. LOVERING. By due protection to the business, and producing goods more economically with a reduction in the labor cost, we might extend the amount.

Mr. TURNER. Can you suggest any duties that could be decreased without detriment to the interest you represent?

Mr. LOVERING. I would not care to suggest any; I do not think I could.

Mr. TURNER. Your industry is prosperous?

Mr. LOVERING. Measureably so.

Mr. TURNER. I saw a statement which I would like to have you verify, and that is, that at Fall River they were prosperous, but ceased to manufacture, and they gave as a reason that the consumers would not take their goods. Was that correct?

Mr. LOVERING. They suspended at Fall River because they could not sell their goods at the market price—for what they could afford to make them for. The price of print cloths in Fall River is about the same as the cotton market. It may be one-eight down or up, or one-sixteenth down or up. It is owing to what the printers are willing to pay. If printers have no use for the cloth they will not buy it at any price, unless some-one wants to speculate.

Mr. TURNER. That state of things began with the present financial stress?

Mr. LOVERING. It has been going for the last eighteen months. There was a period a few months ago when they were in a better condition. Some cloths are low in comparison with other goods, and they were piled up.

Mr. TURNER. Has there been any considerable reduction in prices of cotton fabrics in the last year or two?

Mr. LOVERING. There has been a fair reduction, but the reduction has rather kept pace with the less price of cotton than anything else. Cotton has been cheaper within the last two years. That has made goods cheaper.

Mr. TURNER. Has there been a reduction in the value of cotton goods commensurate with the price of cotton? Make the comparison with the Pepperill or New York prints for shirtings, which is a standard article.

Mr. LOVERING. I believe there has.

Mr. TURNER. Has there been any reduction in the price of New York mills shirting?

Mr. LOVERING. There are other gentlemen more capable of answer-

ing that than I am, when you ask about that specific thing. They are competitors of the New York mills, who know better than I; but there has been, I think, a reduction in the price of goods, just about equaling the matter, on account of the less price for cotton.

Mr. WHITING. Print cloths and cambrics advanced soon after the passage of the McKinley bill, did they not?

Mr. LOVERING. I have not that in my mind.

Mr. WHITING. The duty was lower on that class of goods the year after that bill went into effect. I would like an explanation of that.

Mr. LOVERING. If anybody can tell me why print cloths go up and down I would like to know. I think the manufacturers would like to have some explanation about it. Very often there is a glut, and then they lose confidence in them, and in a very short time the goods will be up again.

Mr. WHITING. Take cambrics; they have advanced nearly 100 per cent.

Mr. LOVERING. I know nothing about that.

Mr. STEVENS. Print cloths run up more than any other kind of goods.

Mr. LOVERING. They run up to a greater percentage. They are 2¾ cents to-day, and they have been within a year as high as 4 cents. The difference between 1¼ cents and 4 cents is a very large percentage.

Mr. BRECKINRIDGE. Why should they vary more than other goods?

Mr. LOVERING. I do not know; but I could give you one reason, calicoes are a great matter of fashion, and print cloths are never sold to be worn. They are sold for printing. Sometimes low ginghams and low plaids will be all the rage, and then again prints will be all the rage. That may continue from one to ten years, and then print cloths will have their innings as well as the other goods.

Mr. BRECKINRIDGE. What is meant by "print cloths" is the cloth after it is printed?

Mr. LOVERING. It is print cloth in brown as it comes from the loom.

Mr. BRECKINRIDGE. Does that vary?

Mr. LOVERING. They have got to be pretty close now. They are making print cloths very low, and they are selling very low.

Mr. BRECKINRIDGE. I imagine that the factor of fashion of which you speak would cause much more extensive variations in the printed cloths than in the other?

Mr. LOVERING. Occasionally a manufacturer will hi
thing. A few years ago they hit upon the indigo blues, a
wanted the indigo print. The consequence was that cali
and the demand for prints was such that they could not k
One affects the other. It is a matter of fashion. I d
there are a thousand yards of print cloths used for any
than to be printed into prints by dyeing.

Mr. BRECKINRIDGE. After the cloth is colored, if the
developed what is called a taking style, ought it not to
have a value out of proportion to the labor or raw materi

Mr. LOVERING. It may be so; but the reverse is somet
where a style is not taking and a man finds that he can
the undesirable goods readily, and he may often find that
out at a sacrifice.

Mr. BRECKINRIDGE. Therefore, that is speculative, and
upon fashion?

Mr. LOVERING. Yes, sir; anything guided by tastes i
speculative.

Mr. BRECKINRIDGE. Is not England more or less in a state of transition from the coarser to the finer goods?

Mr. LOVERING. Slowly; yes. They have made within the last twenty years great strides; perhaps within the last year or two not so much.

Mr. BRECKINRIDGE. Has your establishment made the finer classes of cotton?

Mr. LOVERING. I will say that the gentleman who will follow me will answer that more definitely than I can. I want to say, too, that there are gentlemen who were to be here on Friday morning who were not able to appear at 11:30. They are particularly interested in this fine grade of goods. A gentleman from the Wamsutta Mills, of Fall River, also makes these fine goods.

Mr. BRECKINRIDGE. In regard to the labor in the coarser cotton goods which we export, is there not some discrepancy in the wages paid here and the wages paid abroad? Are not our wages relatively much higher in that line of business than goods of the finer grades?

Mr. LOVERING. Relatively as much higher as the wages over there, I should say, yes.

Mr. BRECKINRIDGE. And still we are able to export them?

Mr. LOVERING. Yes, sir.

Mr. BRECKINRIDGE. I think the reason why we can not export the finer grade of goods is that they cost so much more?

Mr. LOVERING. Yes, sir.

Mr. BRECKINRIDGE. In the metal business we export these goods to a considerable extent, except pig iron and steel rails; but in those articles which involve a large amount of labor, such as locomotives, builders' hardware, and cutlery, we are large exporters?

Mr. LOVERING. I am not familiar with them.

Mr. BRECKINRIDGE. Why have we been able to export most largely those goods in which there is most labor cost; that you can not do in your business, which leads us to expect that you ought to do it?

Mr. LOVERING. I can not answer. In the regular staples our goods are very close.

Mr. BRECKINRIDGE. You do not know any reason, then, why they should be able to do that in the metal and not be able to do it in the cotton business?

Mr. LOVERING. No, sir.

Mr. BRECKINRIDGE. You can not explain why this fact exists?

Mr. LOVERING. I should not want to undertake it on my feet.

Mr. BRECKINRIDGE. Is it not true that manufacture of these finer grades of cotton goods is the newer part of the cotton manufacturing industry, and are not perhaps yet in excess of the demand in this country?

Mr. LOVERING. I think they will find it close business. They do not make inordinate profits.

Mr. BRECKINRIDGE. I am speaking of the age of the business.

Mr. LOVERING. I think that after ten or twelve years they will find a closer business than they have ever found.

Mr. BRECKINRIDGE. Do you know whether they made any efforts to extend their trade in the foreign markets?

Mr. LOVERING. I think efforts are constantly being made to extend the trade. That comes not directly from the manufacturers, but from people engaged in commerce, who are all the time trying to find some American-made goods which they can put into the foreign market.

Mr. BRECKINRIDGE. What efforts have you made in your establishment to extend your foreign trade?

Mr. LOVERING. I have sent some goods to India, and got my pay about two years after I sent them. I did not lose any money on them, but I did not make any.

Mr. BRECKINRIDGE. What was the occasion of the delay in getting your pay?

Mr. LOVERING. I think it is the experience of all business men that when they send goods abroad they are a long time in getting payment. The special delay in this case was because they went at the wrong season of the year; so I had to wait until the following season, and then I had to negotiate the draft through London to be paid in England.

Mr. BRECKINRIDGE. You have not made persistent efforts to extend your trade to foreign countries?

Mr. LOVERING. Personally, I have not.

Mr. BRECKINRIDGE. Do you know of any manufacturers who make the finer class of goods who have done so?

Mr. LOVERING. I do not.

Mr. BRECKINRIDGE. You have never heard of any?

Mr. LOVERING. I have not.

Mr. PAYNE. If the American locomotive is sent abroad, is it not because it is better made, and therefore can withstand all competition of the foreign locomotive?

Mr. LOVERING. I should suppose so.

Mr. PAYNE. As to some of the other articles which require a high degree of skill in the manufacture, the same thing would hold good?

Mr. LOVERING. Speaking of cutlery, I can understand that. I am told—I do not know whether it is true—that a better ax is made in America than anywhere else in the world.

Mr. PAYNE. Is it not so with machine-made watches? Do not watches made in America command good prices in foreign markets?

Mr. LOVERING. I have been told so. I do not know.

Mr. PAYNE. That accounts for the American ax and tl watch crowding out the foreign ax and the foreign watch: people want the best article?

Mr. LOVERING. Yes, sir.

Mr. PAYNE. There are a certain class of people who w There certainly is in this country.

Mr. LOVERING. The best is good enough here.

COTTON CLOTH.

(Paragraphs 344–348.)

FRIDAY, *Septemb*

STATEMENT OF MR. S. B. CHASE, OF FALL RIVER, MA

Mr. CHAIRMAN: I represent the King Philip Mills, who yarns to Mr. Sanford, but we go further and we weave th and make fine cotton goods. The principal thing I hav appearing before the committee in the first place is to ask not abandon the present specific duties on cotton goo rather take a decrease of duty and have it specific than advance if it was ad valorem. This is the way I feel abou the interests of our concern are involved.

The CHAIRMAN. You are speaking about cotton cloths?

Mr. CHASE. Yes, sir. It is very easy for a specific duty to be arranged upon cotton cloths, as you will find out upon investigation, because it is levied on the width, on the square yard. I think it has operated very well indeed. In fact we know this class of goods can not come in under a specific duty, but if an ad valorem rate was fixed upon them, we find they are sold very low indeed in competition with our goods. I realize the fact that all manufacturers are very much alike and like to be relieved from competition. That I do not expect nor ask for. I do believe and think we can prove that there is, however, certain existing conditions as between the foreign manufacturers and ourselves which it is impossible for us to overcome, and all I would ask for is that this condition under the tariff laws be equalized. But this labor and taxation has been referred to by Mr. Sanford; they are the principal ones. To satisfactorily adjust what that should be on any particular fabric is a very difficult matter for me and I realize it is a difficult matter for you. I will be perfectly content for the present duty to remain, but if there be any decrease I hope it will be a very small one, and conservative until we find out what we can do. We take it that you do not wish to close us up or drive us out of the business. If we have to reduce our labor, of course that is their misfortune, but we do not like to do that. We would like to keep on the same basis we are now. I have a pocketful of documents, and if it will be of any interest to the committee I would like to read them, but as I understand their time is limited I will not attempt to read them. These papers give the names of specific mills abroad, and takes each branch in the mill and gives the earnings of the operators employed in that branch, and our own earnings set against it so that you can see exactly the difference. I have also here samples of goods.

The CHAIRMAN. From what source do you get these figures?

Mr. CHASE. I have a gentleman who got them for me, who is one of our employés, who went to England.

The CHAIRMAN. Have you compared them with the figures in the report of the Bureau of Labor through Col. Carroll Wright?

Mr. CHASE. I have not. I do not know whether they will agree with them or not. We are willing to stand back of our figures whether they agree with Mr. Wright's or not. We know, of course, the figures, so far as our mill is concerned, are correct, and as to the figures made abroad, we believe Mr. Hayes, who is one of our employés, has done the honest thing. He also worked in England as well as worked for us, and perhaps he can give a more intelligent idea as to the conditions between the two countries than I can give you, because that is his native heath when you talk about England, and it is not mine. Do you desire that I should leave these documents?

The CHAIRMAN. If you desire to do so. We have some exportation of cotton, they are the coarse grades?

Mr. CHASE. Yes, sir; entirely.

The CHAIRMAN. Then, we have some importations?

Mr. CHASE. They are the finer.

The CHAIRMAN. They are not made in this country, are they?

Mr. CHASE. Yes, sir; we make goods such as are imported. We are in competition with English-made goods. Such goods before the passage of the McKinley bill were selling for 12¾, and we are now selling at 11½ here; that is, the last time we sold. They have got to sell at a loss if they sell at all, because there is hardly any market, and competition is pretty fierce on fine goods.

The CHAIRMAN. Does fashion have anything to do with this import?

Mr. CHASE. Yes, sir; fashion has a great deal to do with everything. If you can strike something that nobody else makes you will get a market and get a good price, and you will make money whatever way it works. On the lower grades of goods the foreign competition does not amount to very much, but in the higher grades the labor is a large element, and the competition increases it. And on certain very fine goods we do not pretend to make them at all, and can not under present conditions. We are working that way as fast as we can.

The CHAIRMAN. Do you pay your men at Fall River higher wages than other parts of the country, say, for instance, higher wages than in Maine?

Mr. CHASE. My impression is we do.

The CHAIRMAN. Have you ever compared your wages with the Southern mills?

Mr. CHASE. No, sir; I have not. They are reputed to be higher, but I have never made a personal comparison. The Southern mills, of course, in their competition with such mills as I represent would not amount to a great deal. We require higher skilled operators. The work they are doing in the South, whatever they may do in the future, has been done comparatively with inexperienced hands.

The CHAIRMAN. A gentlemen testifies the mills are beginning to introduce a finer cloth which was pressing upon the New En

Mr. CHASE. I think it has that tendency. I think it i all over the country and all over the world to increas weaving and to get it better and better, and as a man rise in intelligence and progress, as they do in this country they want better and better goods, and we are using our as we can to satisfy them.

The CHAIRMAN. Is there anything else you desire to

Mr. CHASE. No, sir; I have said all that I desire to sa

Comparison of wages between a fine American and English spinning same production and the same output.

TWISTING ROOM HELP.

American wages.	Per week.	*Manchester, Engl*
Men twister tenders	$10.00	Men twister tenders
Women	7.00 to 8.00	Women twister tenders
Doffer	5.00	Doffer boys
Winders, piecework	7.50 to 9.00	Winders

Pay roll for the mill in America amounts to $4,000 per week; in per week, or about 38 per cent against American manufactories i cotton yarns.

The statement is made by one of the best-known American supe has had twenty-five years experience in English mills, and is now this country, that the operatives in the American mills do not p work than they do in the English mills; in fact, he claims that o the climate is against us, being too warm; and, if anything, he goods from the same number of hands in England than he can here quality of work, owing to the better training and long experie English operatives.

Comparison of wages between a fine American and English spinning mill working on the same production and the same output.

CARD ROOM HELP.

American wages—Picker room.	Per week.
Boss picker tender	$10.00
3 helpers, men, $7	21.00
Total wages	31.00

Manchester, England, wages—Picker room.	Per week.
Boss picker tender	$4.88
3 women helpers, $2.50	7.50
Total wages	12.38

Over 100 per cent against American mill.

American wages.	Per week.
Boss grinders	$10.00
Stripper tenders	7.50
Lap carrier boy	5.00
Total wages	22.50

Manchester, England, wages.	Per week.
Boss grinders	$6.08
Stripper tenders, men	4.38
Lap carrier boy	2.00
Total wages	12.46

Difference against American mill, 80 per cent.

American wages.	Per week.
Slubber intermediate and jack frame, women help earn	$8.00 to $8.50
Comber tenders	7.00
Drawing tenders	7.00
Ring-frame spinning	$7.00
Doffers frame spinning	4.50
Mule-spinning, 2,000 spindles to the pair:	
Spinners average	$15.00 to $16.00
Piecers average	7.00
Back boys average	4.50
Total cost pair mules	26.50

Manchester, England, wages.	Per week.
Best women help for same work earn only	14*s.* = $3.40
Comber tenders	14*s.* = 3.40
Drawing tenders	12*s.* = 3.00
Ring-frame—highest wages	$3.75
Doffers	4*s.* 1.00
Mule-spinning, 2,000 spindles to the pair:	
Spinners average	$11.00
Piecers average	15*s.* = 3.75
Back boys average	2.00
Total cost pair mules	16.75

Difference against American mill, 60 per cent.

Comparison of wages.

	J. Whittaker & Co., Church.	King Philip Mills.
Engineer	33*s.* = $7.98½	$24.00
Firemen	21*s.* = 5.08	9.57
Slasher tenders average	35*s.* = 8.47	10.08
Cloth inspectors average	26*s.* = 6.29	10.50
Boys (half time)	2*s.* 6*d.* = .60½	*6.00
Loom-fixers average	37*s.* = 8.95½	12.82
Spoolers	14*s.* = 3.38	5.50

*Girls (cloth room).

TAXES, ETC.

Lees Brook Spinning Company, Oldham. Capital, £80,000 ($384,000). Taxes for 86,000 spindles (85,920) are £654 8*s.* 8*d.* per year, equal to $3,167.46.

King Philip Mills. 124,000 spindles. Taxes are about $26,000.

Ormerod Hardcastle & Co., Bolton. 110,000 spindles and 400 looms. Weekly pay roll £700, equal to $3,388.

King Philip Mills. 124,000 spindles. Weekly pay roll $10,000.

Good mill coals in Lancashire are about 6*s.* per ton (never over 6*s.* 8*d.*), or $1.45.

King Philip Mills pay $3.65 and $4.25.

Carding.

[Rate $4.84 per pound sterling. Used 24¼ cents per shilling.]

Pickers:
- Huncoat Manufacturing Company, near Accrington ..... 16s. 6d. = $4.00
- Vine Spinning Company, Oswaldtwistle ..... 17s. 10d. = 4.32½
- Accrington Coöperative Spinning Company:
  - One at 20s ..... = 4.84
  - Two at 14s ..... = 3.39½
- Union Street Manufacturing Company, Over Darwen ..... 20s. 6d. = 4.96½
- Union Street Manufacturing Company, Over Darwen ..... 16s. = 3.88
- Hippings Vale Spinning Company, Oswaldtwistle ..... 18s. 5d. = 4.46½

Average price paid nearly 4.27

King Philip Mills, $8.58 and $7.42.

Grinders:
- Huncoat Manufacturing Company, near Accrington ..... 24s. = $5.81
- Vine Spinning Company, Oswaldtwistle ..... 24s. = 5.81
- Accrington Coöperative Spinning Company ..... 24s. = 5.81
- Union Street Manufacturing Company, Over Darwen ..... 22s. 7d. = 5.46½
- Hippings Vale Spinning Company ..... 23s. 6d. = 5.69

Average nearly 5.72

King Philip Mills, $9.25.

Alley boys:
- Huncoat Manufacturing Company, near Accrington ..... 14s. = $3.39
- Vine Spinning Company, Oswaldtwistle ..... 17s. 6d. = 4.23½
- Accrington Coöperative Spinning Company ..... 10s. = 2.42
- Union Street Manufacturing Company, Over Darwen ..... 12s. = 2.90
- Hippings Vale Spinning Company, Oswaldtwistle 12

Average price .....

King Philip Mills, $6.

Drawing tenders:
- Huncoat Manufacturing Company, near Accrington .....
- Vine Spinning Company, Oswaldtwistle 2
- Accrington Coöperative Spinning Company .....
- Union Street Manufacturing Company, Over Darwen .....
- Hippings Vale Spinning Company, Oswaldtwistle .....

Average .....

King Philip Mills, $6.

Sweepers:
- Boys 15 to 17 years .....

King Philip Mills, girls just over school age, $3.71.

Lap and roving carriers 1

King Philip Mills, $7.20.

Lap machine tenders: Ormerod, Hardcastle & Co., Bolton .....

King Philip Mills, $6.

Comber girls, 8 head machines: Ormerod, Hardcastle & Co., Bolton .

King Philip Mills, 6 head machines, $7.25.

Slubbers:
- Huncoat Spinning Company (single), near Accrington .....
- Vine Spinning Company, Oswaldtwistle 1
- Accrington Coöperative Spinning Company .....
- Union Street Manufacturing Company, Over Darwen 20
- Hippings Vale Spinning Company, Oswaldtwistle .....

Average .....

King Philip Mills, 76 spindles, $8.50.

Intermediate :

Huncoat Spinning Company, near Accrington (pairs 100)	25*s.*	=$6.05
Vine Spinning Company, Oswaldtwistle	18*s.* 3*d.*	= 4.41½
Accrington Coöperative Spinning Company	24*s.* 8*d.*	= 5.92
Hippings Vale Spinning Company, Oswaldtwistle	24*s.*	= 5.81
Union Street Manufacturing Company, Over Darwen	18*s.* 10*d.*	= 4.56
Average		5.35

King Phllip Mills, $7.82.

Roving frames :

Huncoat Spinning Company, near Accrington	22*s.* 6*d.*	=$5.44½
Vine Spinning Company, Oswaldtwistle	22*s.* 6*d.*	= 5.44½
Accrington Coöperative Spinning Company	22*s.*	= 5.32
Hippings Vale Spinning Company, Oswaldtwistle	21*s.*	= 5.08½
	22*s.*	= 5.32
Union Street Manufacturing Company, Over Darwen	33*s.* 6*d.*	= 5.68¾
Average		5.38

King Philip Mills, $10.

Finejack frames : Ormerod, Hardcastle & Co., Bolton, about ..... 25*s.* =$6.05

King Phi ip Mills, $9.

Mule spinning.

[Mules, 744 spindles.]

	Price per 100 hanks.	
	Bolton.	King Philip Mills.
52's	$3.46	$4.25
60's	3.72	4.51
70's	4.02	4.76
80's	4.30	4.93
90's	4.56	5.20
100's	4.80	5.36
110's	4.85	5.52
120's	5.26	5.79

Weaving.

A 39: Swatch attached, 96x104. 39 inches. Warp, 60*s.*; filling, 60*s.*; length, 77 yards; 3*s.* 3¼*d.* per cut = 79¼ cents.

Cambric (King Philip Mills): 96x104. 40 inches. Warp, 44*s.*; filling, 62*s.*; length, 55 yards, 82 cents per cut.

King Philip cloth same length as English cloth would be $1.15 per cut; difference, 35¼ cents, nearly 50 per cent higher.

English lawns: 72x68. 47 inches. 100 yards, 77½ cents.

King Philip lawns: 72x68. 47 inches. 100 yards, $1.42.

Fine cloths: 104x112. 40 inches. 100 yards; 2.2875*d.* per pick per quarter, with 22. per cent added for reed = 6*s.* 6*d.*, say $1.57.

King Philip Mills: N. B.—(attached) 104x112. 40 inches. 60 yards, say, $1.17 or at the rate of $1.95 per 100 yards.

English cloth: A41 attached, 104x120. 36 inches. 101 yards; 5*s.*3*d.* = $.127.

A 44 (attached): 92x80. 30 inches. W, 60, 80 filling; 127 yards; 3*s.*10*d.* = 92¼ cents.

King Philip styles No. 1848, 88x80. 40 inches. W, 60, 92 f.; 55 yards, 65 cents per cut, equal to $1.50 for 127 yards; difference, 57½ cents.

[Extract from article in Blackwood's Magazine (London), July, 1892.]

THE PROSPECTIVE DECLINE OF LANCASHIRE COTTON TRADE. BY W. W. ABRAM.

French, Belgian, and German traders, who have learnt some valuable lessons from ours, are now teaching British traders this one lesson, that they are no whit less persevering and pushing than the latter, whilst their craftsmen do not rank

themselves as inferior in inventiveness or deftness to those of Lancashire, Yorkshire, and Lanarkshire. Nevertheless, in the infancy and youth of their cotton manufactories, these Belgian, German, and French competitors have not depended alone upon their native intelligence and skill. They have looked to their monarchs, presidents, and legislatures to fortify them by protective imposts on cotton tissues entering their countries from abroad, and they have been promptly granted such protection by the state, nor have their countrymen who are consumers and not producers of such manufactures grudged them the advantage. The cotton manufactures of the three countries named may be considered to have attained their maturity, but the shield afforded to their weakness has not been withdrawn from their strength. The French or German maker of cotton goods might perhaps now compete with the British in his own country's markets, at any rate, were the protective duties abolished, for his cost of production, averaging the several items, does not exceed that of the Lancashire mill-owner. But the duties assure him a substantial profit on his home sales before British goods can enter into competition at all. So French trade in cotton goes to the French manufacturers, German trade to German manufacturers, and all over Europe the same condition obtains. * * * At the same time it has to be admitted (however it may seem to tell against our theories as a nation of free-traders) that the cotton trade of the several most active competitors in manufactures has developed under pr faster than the British cotton trade has increased within the free trade. This statement is true of France, Belgium, and Ge degree of some other European countries, as the published retu of cotton taken by them in a series of years and other statisti tures indicate. * * * * We are told that the whole trad and Japan, in the coarser counts of cotton yarn up to 24s. twist h gone: and it is anticipated that in counts of yarn up to 30s. th be entirely taken by Bombay before half a dozen years have pa

NOTE 6.—This will drive Lancashire to spinning fine and med these are the most costly for us to produce, and on which the creased instead of decreased.

CORSETS.

(Paragraph 349.)

WEDNESDAY, *Sep*

STATEMENT OF MR. MAX ADLER, REPRESENTING MESSRS. M OF NEW YORK, N. Y., AND NEW HAVEN, CO

Mr. CHAIRMAN: I represent the corset industry. before you to find any particular fault, but simply t not forgotten when a new bill is being framed. Th fectly satisfied with the present condition of thing employés. I have here a statement which I will read

We wish to call your attention to the fact that prev ment of the tariff bill of 1890, finished corsets were inated against, and it was impossible to introduce th goods, which sell at $12, and above, except in very l The cause of this was, that the material entering int a higher rate of duty than the finished article, and in successfully with the imported corsets, it became imported materials, 95 per cent of which paid duties r 75 per cent, while the finished corsets paid a duty of

Many of these materials are not manufactured in t although attempts have, at various times been mad them, but without success, owing to the fact that cou Alexandra cloth, fine satteens, Italians, and other c manufacture of these fine grades of corsets, are made are bleached or dyed before being woven into the goo

The tariff bill of 1890 placed the duty on nearly all imported materials on an equality with the finished corsets, thus enabling the manufacturers of the United States to produce the better grades of goods, thereby giving more steady employment to their employés, and at the same time enabling them to pay more liberal wages.

The corset industry in the United States has become quite an important one, employing at present a capital of about $10,000,000 and giving employment to about 17,000 operatives.

The rapid growth of the industry has, naturally, engendered severe competition between the manufacturers in the various sections of the United States, so much so that the American made corsets are to-day sold to the dealer and purchased by the consumer at lower prices than prevailed previous to the enactment of the tariff bill of 1890. This is especially so in the cheaper grades, ranging from $3 to $9 per dozen to the dealer, and retailing to the consumer from 30 cents to $1 per pair.

The manufacturers have not since the origin of the industry in the United States formed any combination or trust, but have transacted their business individually and on an independent scale.

It is thus shown that the public have received the full benefit of home competition. The increased protection of the present tariff law has been fully offset by the fierce local competition which has forced prices down to even a lower standard than those prevailing previous to 1890.

Corsets are not specially enumerated in the existing tariff law, but are entered as wearing apparel, under paragraph 349, at 50 per cent ad valorem if composed of cotton, and if silk enters into their manufacture then they are entered under paragraph 413 at 60 per cent.

If the tariff bill of 1890 is to be revised, we ask, first, that the rate of duty on the finished corset shall be at least 10 per cent higher than the duty upon the various cloths, laces, edgings, tapes, and steel for corset clasps, side and back steels, which enter into the construction of the corsets and constitute a large item of their cost; second, that the protection given to corsets shall be at least equal to that given to other wearing apparel.

We believe that the interest of the consumer, as well as of the manufacturer, would be conserved by leaving the duty the same as at present. Any considerable reduction of the present rate of duty would force upon the manufacturers the necessity of reducing the wages of their employés, and in some cases would compel them to retire from business, as it would be utterly impossible, at a low rate of duty, to compete with the low standard of wages paid in the European factories for this class of work.

Respectfully submitted.

WARNER BROTHERS,
J. G. FITZPATRICK CO.,
MAYER, STROUSE & CO.,
And others.

I do not know that I care to add anything to this brief.

Mr. TURNER. How much change was made in your favor in the present law?

Mr. ADLER. Fifteen per cent on the finished article.

Mr. TURNER. Is not it more than that?

Mr. ADLER. That is all. Thirty-five per cent was the duty before, and it is now 50 per cent on cotton corsets; on silk corsets it is 60 per cent. The duty on raw materials previous to 1890 ranged from 40 to 70 per cent, while the corsets themselves only paid a duty of 35 per

cent, and even to-day there are some materials entering into corsets which pay a higher rate of duty than the finished article. Dr. Warner, my colleague, would like to add a few items to the brief.

STATEMENT OF DR. LUCIEN C. WARNER.

Mr. CHAIRMAN: I will try to be very brief. Although our industry is a considerable one, it is much smaller than a great many others, and it would hardly be necessary to make special mention here, were it not that we feared that what was done in the former law might form a precedent in any action that may be taken. As has been stated in the paper, we not only did not receive protection, but we were directly discriminated against in the former law in the change that was made, and silk corsets, even where the raw cloth paid a duty of 50 per cent, were introduced under a tariff of 35 per cent. To understand correctly the condition of the importations and process, I may say we must divide the corsets into two classes. One is the cheap goods which are made from domestic materials, which is sold as low as $1 and below in this country, and which are made almost entirely from domestic cloth, the only imported article being the lace around the top. When, however, we get to corsets above $1, especially those selling at $1.50 to $2 and $3, then we have a large number of imported corsets, from $1.50 to $2 per pair. These finer corsets are made from imported cloth. There is no cloth made in this country that is acceptable for it. They are made of cloths of which the yarns are bleached or dyed before weaving. It requires that a mill shall be especially devoted for such purposes, and cloths have been protected no less than 40 per cent for many years. There have not been any manufacture of those cloths in this country. It therefore becomes necessary for the corset manufacturers making these finer grades of goods to import all of these cloths and import the laces which he uses upon the top, and also some other items. Those are the only corsets which have been imported during the past twenty years. The corsets which have been imported that sell as low as $1 are of too little consequence to be mentioned. Therefore, when we are speaking of the duty upon corsets we are speaking only of the higher grade of corsets. I will say, by the way, I am not a defender of the tariff, I voted and talked against it, and I feel it is a little anomalous in saying here in this case with all of its inconsistencies and many weak points that it did treat the corset industry fairly. Under the stimulus of the McKinley bill, where we received about 5 per cent more protection on corsets than the materials paid, the amount of those better grades of goods manufactured in this country is about double; there has not been a very large falling off of the importation of goods I am inclined to think; although I have not figures with me, I think you will find the aggregate duty received is very nearly if not quite what it was before, but under this we have been enabled to make a better grade of goods and nearly all the manufacturers have doubled their production of these finer grades of goods.

The point we wish to make is this: First, that we shall not be discriminated against, but that the duty on the finer goods shall be left higher than that on cloths and laces, which are simply intermediate, and which, though not raw material, are to us raw material. We will not ask that the duty shall remain at or near what it is now, for the reason the class of goods imported are luxuries; they are not for the common working people, but the better class of people, and if any

should pay a good rate of duty it should be wearing apparel in this case. We see no reason why it should not remain as wearing apparel, for the same condition applies to corsets as wearing apparel. Manufactured garments which are imported are generally for the better classes of people, and they are generally the expensive goods, and, therefore, may properly pay a higher rate of duty than the material of which they are composed.

I will not trespass further upon your time.

Mr. HOPKINS. Why do you say the duty on the corsets should be higher than the duty on the materials of which corsets are made?

Dr. WARNER. Otherwise we can not make them in competition with foreign goods.

Mr. HOPKINS. Why; because their labor is less than ours?

Dr. WARNER. But if we have to pay 20 per cent more here for material than they do we can not make goods as cheaply.

Mr. HOPKINS. Is there any difference in the labor cost here and abroad?

Dr. WARNER. The same exists in corset manufacture as in all departments. I suppose our rates are 50 per cent higher than England and 100 per cent higher than the continent.

Mr. HOPKINS. You mean the rates of labor?

Dr. WARNER. Yes, sir.

Mr. HOPKINS. You say 50 per cent, for the same kind of work, more than is paid in England?

Dr. WARNER. In England or France.

Mr. TURNER. What are your raw materials?

Dr. WARNER. The cloth and lace or edging around the top, the horn strips, which have been free for many years, horn or whale bone, and raw steel, which forms the front of the corsets.

Mr. TURNER. Do you make the laces yourselves?

Dr. WARNER. They are made in this country, and they should be included. The steel we require—the steel I referred to—is raw steel as it comes in this country, a rolled steel. The corset manufacturer buys this rolled steel, which is all imported.

Mr. TURNER. What is it you desire, I could not catch all you said; do you wish to preserve the present rate, or do you wish a change in any respect?

Dr. WARNER. We are well satisfied to preserve the present rate, but if there is any reduction in almost all directions we could stand a little amount of reduction.

Mr. TURNER. How much would you stand?

Dr. WARNER. That is a hard question to ask me, as I do not know your general scheme. If we knew, I could answer. If there should be a general reduction in all directions—say ten per cent—provided the cloths, laces, etc., were reduced proportionately, it would not be seriously detrimental to the business.

Mr. HOPKINS. Is it not a fact, since the adoption of the so-called McKinley bill, that corsets of all kinds have decreased in value in this country, and that the output has increased and volume of business has increased and the cost of the specific article has decreased?

Dr. WARNER. The corsets have been cheaper than before. Some corsets are sold under a trade-mark name and the price is controlled somewhat by the reputation which they have, so some corsets are continued at the same prices.

Mr. TURNER. Has the price of Illinois wheat and corn declined since the McKinley bill passed?

Dr. WARNER. It has, and we are buying our cloths cheaper than we were three years before.

Mr. TURNER. Corsets have become a little cheaper on the other side?

Dr. WARNER. I am not able to answer that.

Mr. HOPKINS. If I understand you, you say originally you were opposed to this McKinley bill and voted and talked against it?

Dr. WARNER. Yes.

Mr. HOPKINS. And when you came to see the workings of it on the specific article you mentioned here in your argument before the committee to-day you say its tendency was beneficial, both to the consumer and producer?

Dr. WARNER. In the case of corsets, I say it is.

Mr. HOPKINS. Both to the consumer and the producer?

Dr. WARNER. Yes, sir.

Mr. BRECKINRIDGE. There is no export trade in corsets from this country?

Dr. WARNER. Very little; not a large one. We sell some to Bermuda and some few to Canada and a few to the countries of South America, but not much.

Mr. BRECKINRIDGE. What class of corsets—the cheaper?

Dr. WARNER. Generally the cheaper kind. I think I would rather like to ask Mr. Adler.

Mr. ADLER. It is the cheaper class.

Mr. BRECKINRIDGE. The tax you pay on the imported material makes it too high for you to manufacture for export trade?

Dr. WARNER. Yes.

Mr. BRECKINRIDGE. Do you find also the price of the material of domestic manufacture that is protected is enhanced by the you buy these articles as cheaply as they are sold abroad?

Dr. WARNER. The domestic cloths, I judge, are sold a same price as abroad, and I judge so because I know they foreign countries in competition with them.

Mr. BRECKINRIDGE. What grades of cloths are you spe give the commercial designation?

Dr. WARNER. Corset jeans and coutil.

Mr. BRECKINRIDGE. Are you sure they are sold as chea abroad?

Dr. WARNER. The common corset jean, I suppose, wou about the same price; I am not an expert in that line.

Mr. BRECKINRIDGE. I understand you to say you believ sold as cheaply here as abroad because they are exported la

Dr. WARNER. The mills that make the cloths for us i cloths upon the same loom, and as they offer to sell those wl are exported, they must be made at about the same price here

Mr. BRECKINRIDGE. Corset jeans vary in grade?

Dr. WARNER. Yes, sir.

Mr. BRECKINRIDGE. What would be the technical defina particular kind of corset jean of which you are speaking?

Dr. WARNER. You mean the imported?

Mr. BRECKINRIDGE. The kind exported?

Dr. WARNER. I do not think they are exported under t corset jeans; they are exported under the names of drills.

Mr. BRECKINRIDGE. Drill of what grade, what is the definition?

Dr. WARNER. I am only speaking of general informatic my business, and I could not answer that accurately.

Mr. BRECKINRIDGE. You buy the drilling?
Dr. WARNER. Yes, sir.
Mr. BRECKINRIDGE. What do you call it?
Dr. WARNER. We call it corset jeans.
Mr. BRECKINRIDGE. Is it all of one grade and name, have they not terms used in the business to distinguish the different grades?
Dr. WARNER. Some are finer than others, some heavier.
Mr. BRECKINRIDGE. By what terms do you distinguish them?
Dr. WARNER. We distinguish them simply by the weight and the number of yards that make a pound. For instance, the lighter 3.80 to the pound and the heavier 2.60 yards to the pound.
Mr. BRECKINRIDGE. You buy them by grade according to weight?
Dr. WARNER. Yes, sir. And also on account of the fineness of the yarn and number of threads to the inch.
Mr. BRECKINRIDGE. What weight of corset jeans is exported?
Dr. WARNER. I can not answer that.
Mr. BRECKINRIDGE. You do not know what grade it is?
Dr. WARNER. No, I do not; but I should think about 3 yards to the pound.
Mr. BRECKINRIDGE. What term would express the degree of fineness?
Dr. WARNER. There are two kinds of cloth made, one of which has a large number of counts to the warp and a small number in the filling. They may have used 120 counts to the warp and 60 in the filling. There is another kind of cloth which will be reversed and which will have 120 in the filling. Now, a loom here which makes the one cloth will turn out 60 yards a day, and if it makes the other it can only turn out half that quantity. Our mills are such they could compete on the kind of cloth which has the small number of picks in the filling much better than those that have the higher number of the picks where the element of labor is much greater.
Mr. BRECKINRIDGE. That is as definite as you can make it?
Dr. WARNER. Yes, sir. I am not altogether a cloth expert.
Mr. BRECKINRIDGE. What mills produce this article of which you speak.
Dr. WARNER. There is the Pepperel, the Amoskeag, and the mill at Great Falls.
Mr. BRECKINRIDGE. They are located where?
Dr. WARNER. In Maine and on the border line between New Hampshire and Massachusetts.
Mr. HOPKINS. That grade is produced in many cotton mills over the country.
Dr. WARNER. I think it is.

CORSETS.

(Paragraphs 349 and 418.)

NEW YORK, *September 20, 1893.*

SIR: We respectfully submit our reasons for wishing that the duty on the article of corsets should be reduced, and, further, that corsets should be specified as a separate article, and not be brought under the heading of any other line of goods.

(1) Under the tariff prior to the one now existing, corsets all, without distinction, paid 35 per cent duty. The American manufacturers, with hardly an exception, prospered under it, kept increasing their

product, while the imported article decreased, as, for example, the importations from the three leading countries, as per inclosed extract from the custom-house records in New York, show to have been, in 1887, $1,045,228; in 1888, $982,974; in 1889, $854,760; in 1890, $951,656 (stimulated in that year by the expected McKinley tariff).

We knew the manufacturing of the article in this country to have contained such elements of lasting success that we had formed, sometime before the era of the present tariff, the plan of manufacturing corsets in this country and at the same time containing the importation of corsets. We executed the plan by erecting and working a factory at New Haven, Conn.

There are certain lines of the article made in Germany which could not be made to advantage in this country, which were excellent and cheap to the consumer, and which are now almost excluded from the trade, now paying, on account of some slight embroideries, 60 per cent duty, while the finest corsets, not being so embroidered, but having, instead of embroidery trimming a lace trimming pay 50 per cent duty. This was brought about in the final stages of the tariff proceedings in the conference committee, agreeing on a paragraph concerning embroideries, under which these cheap German corsets have to pay 60 per cent duty, while the American manufacturers then asked only 50 per cent duty.

The importation from Germany in 1886, as per inclosed schedule, was $550,557, and the total importation from all countries, Germany included, of all cotton corsets (all others are insignificant in amount), was, in 1891, 8268,894; in 1892, $360,260.

(2) Corsets in the former tariff bills have been, for many years, separately specified as a separate article for itself; they are not so now, being under the heading of "wearing apparel." This has created many difficulties in the classification of the invoices, and there really is no need for this. Under the old system, the importer and the appraiser at once knew what duty corsets had to pay, and that system we beg to have renewed.

We are now manufacturers as well as importers of corsets, have considerable money invested in our factory at New Haven, and, after mature reflection, came to the conclusion that we need not fear a reduction on the rate of duty, provided the duties on the imported materials used on the finer grades of corsets, such as cotton goods now paying 45 per cent, wool and woolen cotton materials paying still more, trimmings, now paying 60 per cent, be reduced also.

We therefore beg to recommend that the duty on corsets be again 35 per cent, certainly not more than 40 per cent.

Yours, respectfully,

OTTENHEIMER BROS.

Established since 1857.

Importations of corsets.

[Extract from custom-house records, New York, September, 1893, submitted by Ottenheimer Bros., 446 and 448 Broadway.]

	1884.	1885.	1886.	1887.	1888.	1889.	1890.
Belgium	$87,175	$105,391	$163,364	$219,175	$200,543	$249,864	$
France	245,162	235,148	273,223	330,519	329,969	308,324	
Germany	503,364	550,557	526,064	495,534	452,462	296,572	

From all countries, all corsets (cotton) in 1891

From all countries, all corsets (cotton) in 1892

CHENILLE.

(Paragraph 351.)

PHILADELPHIA, *September 18, 1893.*

The undersigned manufacturers of upholstery and chenille goods respectfully ask that the following clause of the tariff act of 1890 be retained in the bill now in course of construction: Chenille curtains, table covers, and all goods manufactured of cotton chenille, or of which cotton chenille forms the component material of chief value, 60 per cent ad valorem.

We respectfully call the attention of your committee to the fact that previous to the passage of the McKinley bill large quantities of these goods were imported. It is estimated that more than 1,000,000 table covers, besides large quantities of curtains, were imported in the year previous to the passage of this law. We desire to state that these goods are now all made by your petitioners, none of them being imported.

By reference to Consular Reports 1884, vol. 1, p. 408, it will be seen that the average wages in the consular district of Leipsic, Saxony (which is the district from which the bulk of these goods have been imported) for men weavers is $3.60 per week's work of 11 hours per day, and for woman weavers $2.38 per week's work of 11 hours per day, being one-fourth of the amount paid by your petitioners.

Your petitioners would state that the bulk of the cost in manufacturing chenille goods consists of labor. Unlike other cotton fabrics there are several separate and distinct operations necessary to manufacture these goods: First, the spinning of the yarns; second, the dyeing of the yarns; third the winding of the yarns and weaving of the cloth for the chenille; fourth, the cutting of the cloth into strips or chenille; fifth, reeling, winding, and weaving the chenille into curtains, covers, or other goods for which intended; sixth, finishing and fringing of the goods.

Three-fourths to seven-eighths of the cost of these goods consists of labor. It is therefore of paramount importance that the duty be made high enough to cover the difference in labor here and that paid in Europe, and to cover any contingency that may arise should the cost of production be reduced in Europe by the introduction of improved processes and machinery.

Your petitioners would state that immediately on the passage of the McKinley bill they made large investments of money in new machinery, introduced improved processes of manufacture, and were at once able to supply all of this class of goods called for by the consumer. These improvements, and competition among your petitioners, has caused a gradual reduction in the selling price of these goods, until now they are sold at from 30 to 40 per cent below the market price previous to the passage of this act.

The estimated increase of these goods made now over amount made previous to the passage of this act is over 100 per cent. From ⁹,000,000 to 10,000,000 pounds of cotton yarn is consumed annually by your petitioners. The bulk of this yarn is made in the Southern States.

This increase has enabled your petitioners to employ a large number of additional people and give their employés more steady employment, thus increasing their earnings.

BROMLEY MANUFACTURING CO.
STEAD & MILLER.
And others.

HOSIERY AND KNIT GOODS.

(Paragraph 353.)

STATEMENT OF MR. JOHN O'CONNELL, OF NEW YORK, REPRESENTING HILTON, HUGHES & CO.

FRIDAY, *September 15, 1893.*

Mr. CHAIRMAN: I thank you for the extension of the courtesy after our time has been already allowed, and permit me to say at the outset I am empowered to represent the house of Hilton, Hughes & Co., of New York. I am also empowered to speak for Arnold, Constable & Co., Lord & Taylor, E. S. Jaffray, and that class and character of merchants. They are general merchants who deal in domestic and imported goods without discrimination. As merchant importers, we believe that a tariff law will exist in this country, whether it will be for the purpose of revenue only or for protection. We ask, however, as importers and merchants doing a legitimate business, that the present tariff be reduced, and that it be reduced in a way that certain abuses which now exist may be corrected. I speak now for hosiery, underwear, and the glove interest. In all large houses these are grouped in one department and under one head, and, therefore, I am competent to speak and represent all of them so far as foreign and domestic goods are concerned. The principal abuses under the last tariff to which I would call your attention is the classification of merchandise whereby certain lines are drawn in such a manner that it enables the dishonest importer to enter imported goods undervalued, and thereby not only to defraud the Government, but to undersell the honest and fair trader, and that hurts the domestic manufacturer who demands protection, sometimes without the domestic manufacturer knowing it. I have only to point to the signs on Broadway, New York. They are not Yankee names, they are not Scotch, they are not English names, and yet they are not small traders in dry goods. They are continental names and they have been favored and enriched because the tariff of this country has had no force as a rule. Now, I grant you that an ad valorem duty is an ideal tariff if all men are honest; but all are not. Many of them who trade in dry goods and dry goods business in the markets of this country have confederates abroad, and I venture to say in every dry goods market in Europe nine-tenths of the exporters will enter into collusion so that their goods may be undervalued and sold in this country. We, the importers, have worked nearly a week on this. We were almost unanimously of the opinion that the best—the honest tariff—will be a specific one. We doubted if this committee, or Congress, would grant a specific duty, as the policy has been always toward an ad valorem, so we concluded to ask for a mixed tariff—an ad valorem duty which shall not be over 25 per cent and then a specific duty, so that it may be honestly collected and the honest importer protected. Let me say we do not antagonize the domestic manufacturers. We want their mills to run, their products to be employed, because it is by having all people at work in this country, and all prosperous, that we can find a market for our merchandise, whether foreign or domestic. You had before you this morning a gentleman representing domestic cotton industry—Mr. Osborn. He says he wants that present duty to stand, and yet that gentlemen knows as well as I know that the Government is being defrauded under that classification

and people like him are being hurt. He knows it, and yet he asks for that tariff to stand. That gentleman also misinformed you when he stated he could buy the same stocking in Germany for less than they could; that is not so. On that class of goods used in Germany there is an average of 80 per cent tariff, and while the German manufacturer may charge his own people a little more than he does the American, there is certainly not that 80 per cent difference, and you have been misinformed as to that entirely. The domestic manufacturer is entitled to this; he is entitled to protection in the inequalities which exist in labor. I do not believe the raw material costs the American more than the foreigner. He is entitled to, and should have, that much protection which equalizes the difference in wages and difference in value.

Now, hosiery has been pretty well gone over. Give us a simple duty that cotton goods be cotton goods, and give us not over 25 per cent specific duty and 25 per cent ad valorem duty, and give us on part-silk and all-silk hosiery 25 per cent ad valorem and $1 per dozen, and on wool 25 per cent ad valorem and 50 cents per pound.

Where you have an ad valorem duty there is an invitation to fraud; where you have a low ad valorem duty and a specific duty men will not take those chances, but where there is an ad valorem duty there is undervaluation, and the man who does it is fortified with documents, or at least with arguments, and you can not really get around him, so we have made it both, so that by weight or count you can easily ascertain by an examination at the custom-house whether it has been undervalued, and you can punish him accordingly.

Now, not to take up any more of your time, I limit myself to a minute longer. We want a tariff that will be simple in its character, that can be honestly collected, and the honest importer of this country protected against the foreigner and the foreigner's agents who have had no voice in our organization, as we cut them off. We want a tariff so simple that it can be enforced.

Another thing. We understand the new tariff, or rather we anticipated a reduction of tariff, and we ask of you not to spring any new tariff suddenly upon us, but to give us a fair, reasonable time in which to adjust our business and liquidate our affairs. I would name July, 1894, as the earliest date at which we could straighten up our affairs. Moreover, I would say the McKinley administrative bill created two abuses, which exist; one was consigning goods to their establishments or agents here, notorious undervaluations, and the other was their power to deduct for boxes, etc. Now, in the tariff we have prepared we allow 10 cents per dozen for it; in fact, that gives 10 cents a dozen less, which is, by the way, all we ask. If you would fairly consider this I believe we would have an ideal tariff, one which would realize the purpose of revenue, one which would give the necessary protection and equalize the inequalities that exist, and you would stop these fraudulent importers from enriching themselves at the expense of the Government and domestic manufacturers and the honest importers of the country, and it is for them I plead.

KNIT UNDERWEAR.

(Paragraph 358.)

STATEMENT OF MR. EDWIN H. BAKER.

Mr. CHAIRMAN: I promise to detain you but three minutes, for I think that will give me ample time to say what I wish to say. I wish to call the attention of the committee particularly to a class of knit underwear which has not been by itself touched upon this morning. I refer to the fine cotton underwear, such as is brought into use during the warm months of July, August, and later—the very finest and thinnest cotton underwear. There are a few industries up in Massachusetts which have been built up in the last twelve or fifteen years, and the particular point to which I wish to call your attention is that labor forms in this particular class of underwear a very considerable portion of the cost of the finished product. The goods being woven light, of course the question of material is relatively a small consideration. The amount of labor necessary to put it into fabric is the most important factor, and amounts to more than one-half of the total cost of the finished product. At the same time this class of manufacture in underwear, standing peculiarly by itself, is constantly in the line of lighter weights, finer fabrics and texture, and consequently a larger relative proportion of labor cost. I am not prepared, if I had the disposition, to enter into the question of the amount of protection that it needs. I think I can safely leave that for the faithful consideration of the committee, as I am sure it will have an intelligent consideration when it is reached.

HOSIERY AND GLOVES.

(Paragraph 358.)

STATEMENT OF MAURICE LOWY, OF NEW YORK.

Mr. CHAIRMAN: I appear before you as the chairman of six firms, representing the importers of hosiery and city of New York, to recommend to you a new tariff to b a way that no undervaluations and frauds can take pl now, and especially since the McKinley bill has taken e

In the year of 1890, I also appeared before the Fina of the Senate, as chairman of the importers of hosiery the United States, and before that committee I illustr scaling or graduating tariff is put on hosiery, this will for frauds and undervaluations, and I am sorry to s turned out even worse than I pictured at the time.

I argued before the Finance Committee of the Senat urge the committee to make a higher or lower rate of leave this to the legislative body of the United States. to impress upon the Finance Committee that I want a and thereby protect honorable business firms against defraud the Government and also ruin the business.

To-day, I appear before you on the same errand, and to your consideration a tariff rate on hosiery and g believe will not only protect the Government to collect

the Government is entitled to, but also protect honest importers as well as home industry.

It is a known fact that on this line of goods a correct valuation can not be placed even by the best of experts. I am importing goods since about twenty-two years, and I am free to acknowledge that I can not tax the value of a hose by 5 to 10 per cent. To prove this assertion I herewith state to you that when a hose is put before a manufacturer abroad and the selling price asked for the same, the manufacturer will have to examine the stocking very closely, weigh and measure it, consult his dyer and superintendent of the factory, and, after three men go over it very carefully, they will fix the price. This same hose taken to another manufacturer, he will do the same as described above, and his price might be from 5 to 10 per cent higher or lower, although the goods will appear to be alike.

Now, gentlemen, when even a manufacturer can not place the correct value on a hose—only can state at what price he can sell these goods—how is it possible that an examiner at the custom-house (who is not a practical hosiery manufacturer) can fix a correct value on stockings?

Under the present tariff a hose costing not above 60 cents pays a duty of 20 per cent ad valorem and 20 cents a dozen, while on an article costing 61 cents to $2 the duty at present is 30 per cent ad valorem and 50 cents per dozen. With other words, an article that costs 1 cent more than 60 cents pays a so much higher rate of duty.

Now, to avoid this higher rate of duty and to defraud the Government, also to undersell honest importers, and thereby make an illegitimate and exorbitant profit, some firms import goods that are worth 75 cents and even 80 cents per dozen at the lowest rate of duty by having them invoiced at 59½ cents or thereabouts; that is, below 60 cents per dozen.

After the McKinley bill took effect, I went abroad in the spring of the year 1891. I went there to buy a stock of goods, and a certain manufacturer showed me a hose at 72 cents, which makes in Germany 3 marks. When I stated to him that I could not buy these goods because I have to enter them into the United States at the higher rate of duty, he answered that supposing you buy of me 5,000 dozens of these goods at 2 marks and 40 pfennigs (which makes the goods to be invoiced at 57½ cents), and in conjunction with this purchase you buy of me 5,000 dozens of another stocking, for which my price is 4 marks, or 96 cents a dozen, and for this latter style I shall charge you 4 marks and 50 pfennigs, which is $1.08, and thereby the average of both lots is made; but you, as the importer, have the advantage to enter the first 5,000 dozens at the lowest rate of duty, while on the higher priced article you have to pay the higher duty anyhow.

I refused to enter into any such fraudulent transactions, but the manufacturer stated to me that he had made such so-called combination sales to some firms in the United States. I requested the manufacturer to send to my office in Chemnitz sample pairs of these two styles of goods, and I sent these samples to my partners in New York, requesting them to find out if such transactions are considered rightful and admitted by the United States Government. My partners consulted the examiner at the custom-house, and he certainly stated that this is fraud. This decision was cabled to me, and I refused to purchase the goods; but I know that other firms have done business in this manner.

At the time I was in Chemnitz I also consulted our consul about this

matter, and he reported it to the respective department in Washington. I was glad to hear, some weeks afterwards, that the order came from Washington to have the entire shipments of hosiery of each firm called in for examination, and by this order every honest man thought that the frauds would be stopped. For three to four weeks thousands of cases of hosiery and gloves were sent to the public stores: but nothing crooked could be found out, because the s were in collusion, and the examiner could not, with detect anything wrong, as he did not know any bett was glad that this order was given, still it was im impossible to carry out this way of doing business, bec for instance, only 1,000 cases of hosiery would take on six months.

Only a week or two ago a certain firm entered at the lot of men's white and black Berlin gloves at 1 mark or 36¾ cents currency. These goods were advanced cents per dozen. I paid for these goods in Europe, for of 5,000 to 10,000 dozens, 2 marks, or 48 cents. These g of 50 per cent ad valorem, and they are sold here with 5 to 6 per cent. I paid the straight duty of 24 cents a other party only paid 19 cents per dozen. This will s dishonest man is making a large profit on this staple a able to undersell any honest merchant, and on this acco my importation with a loss.

I also state to you that I have in my possession an sealed, and witnessed, made by a man who has been York for two manufacturers in Saxony. In this affi that one firm has entered woolen goods as cotto defrauded the Government out of 10 per cent ad va 49½ cents per pound. In the same affidavit it is another manufacturer, whom he represented here, h goods from 5 to 30 per cent. I also have in my posses written by a certain manufacturer to his agents he advice how to invoice goods to get them through the low as possible, also asking the agents' advice how th books in case they should have any trouble with th authorities. These two letters contain several other ments. I am ready to show these letters to the chairm mittee whenever you wish to see them.

Another illustration of the frauds committed here by pulous importers is the following case: A certain ag office and offered me a certain hose at $1.90 curren equivalent value of 4 marks in Germany, duty not p agent that I am an importer and do not buy any go delivered in this country, but I am willing to take 2,000 goods at the foreign market price of 4 marks, which $1.90, duty paid. The agent answered me that he is to sell these goods at the currency price, as they are manufacturer to him, and he will pass them through th I cabled to my office in Chemnitz and made an offer 2,000 dozen of these goods to the manufacturer; he r it, stating that he will not sell these goods to us fo marks, and this latter price is equivalent in New Yo rency. This example clearly shows that the manufactu large profit at the cost of our Government, and furt

these goods to anybody at $1.90, while the same goods cost me, to land, $2.10.

I could relate to you a good many other examples, but I do not wish to trespass on your patience; neither do I wish to use up too much of your valuable time.

I represent a very large interest of honest importers, and being a citizen of the United States since many, many years, I request you to protect me as well as any other honest citizen by making such a tariff on our lines of goods where these frauds can not take place.

At first I was in favor of an entirely specific duty, but after due consideration I came to the conclusion that a small ad valorem duty and a a heavy specific duty is just the thing wanted. The ad valorem duty must be so small that it does not pay a dishonest importer to undervalue, and on account of the small gain to be made such a dishonest man will not take chances to be liable for a large amount of penalty.

Although I am in the importing business for many years, and my own individual interest would be for a very low tariff by which I could make a large amount of money, still I do not ask for a very low tariff, because I am patriotic enough to advocate a square and fair protective tariff for our home industries, so that the manufacturers here are protected against the pauper labor in Europe. They shall remain in position to sell their goods against foreign competition, and thereby give employment to thousands of working people.

In submitting to you the following proposition of duties on imported hosiery and gloves, I state to you that the duty on wool goods I have based on the supposition that it is your intention to recommend to Congress to have raw wool entered free, and for this reason I propose a lowering of the duty of 35 per cent ad valorem.

I have embraced in my schedule cotton hosiery in the rough, which is imported for dyeing purposes, and made a difference of 10 cents per dozen between this unfinished and finished hosiery. The dyeing industry is getting a good foothold in this country, and the 10 cents per dozen protection will about square the difference in labor for dyeing and finishing between Europe and here.

In closing my remarks I herewith state to you again that I am satisfied with any rate of duty which you may propose to Congress, but only request you again, and wish to impress upon you, under no circumstances to do any different than to make a small ad valorem duty and a higher specific duty—no graduating tariff according to values—and by this you will not only protect the United States Government against frauds but also every honest man that is doing business here as a citizen of the United States.

DUTIES PROPOSED.

Cotton hosiery, all kinds, 20 per cent ad valorem and 40 cents per dozen.
Cotton hosiery in the rough, imported for dyeing purposes only, 20 per cent ad valorem and 30 cents per dozen.
Part silk and all-silk hosiery, 25 per cent ad valorem and $1 per dozen.
Part wool and all-wool hosiery, 25 per cent ad valorem and 50 cents per pound.
Gloves and mittens.—Cotton, 15 per cent ad valorem and 15 cents per dozen.
Part silk and all silk, 15 per cent ad valorem and 50 cents per dozen.
Part wool and all wool, 25 per cent ad valorem and 50 cents per pound.

HOSIERY.

(Paragraph 353.)

STATEMENT OF MR. J. HENRY SMITH, OF SMITH & ANGELL, No. 22 THOMAS STREET, NEW YORK.

Mr. CHAIRMAN: It is very true that I have been asked to present to you what you might call a new industry. I appear before you as a manufacturer and importer, and I will briefly and simply explain why I am here.

About seven years ago, becoming largely interested in an American industry, I found that in this country, we could dye what we call fast black. I concluded to invest capital, hoping to be able to furnish absolutely fast-black hosiery. Succeeding, I decided either to make the goods here or import them. To my surprise, when I went to the custom-house with the expectation of importing goods in what we call "in the rough" (which is in an unfinished state, as they come from the loom), I found that the duty on the rough goods was the same as the duty on the finished goods. I called the attention of the custom house department to that fact, and they said, "Mr. Smith, when the tariff which we now have was formed this subject of goods in the rough was never brought to our attention, and we would suggest, when a new tariff is made, that you bring it to the attention of the proper party, and they will, no doubt, give you a tariff for this class of goods.

Mr. PAYNE. When was that?

Mr. SMITH. Six or seven years ago. Now, the matter of rough goods may not be understood by all in our line of business. I endeavored to make the goods here, and I am frank to say to you that I found we could not make what is called "full-fashioned" goods in this country, and we concluded to import them and dye and finish the imported goods, our fast black. At that time there was not an actual fast-black stocking in America or Europe, and to America belongs the credit of inventing a color that is now used universally throughout the world. Now the stocking, as it comes from the loom, is in this condition [exhibiting an unfinished stocking]. We pay the same schedule rate of duty to import this unfinished one that we do on a stocking that is in that condition, dyed and finished [exhibiting a black, finished stocking].

Our industry here has grown very rapidly. When we first commenced at Sterling, Conn., where I am interested, there was only a very small plant for the dyeing and finishing of black piece goods. The Sterling Dyeing & Finishing Company have continued to increase the plant until they have thirty-five buildings, used as mills or houses for their working people, and I understand that in the city of Philadelphia alone one firm dye and finish over 3,000,000 pairs of stockings every year. That you may fully understand what the difference is between undyed goods and dyed goods, I shall submit these goods to you. In New York, where I brought this to the attention of the importers, I simply said to them, "Gentlemen, we want to protect the American industry to a certain extent. We do not wish the importers to bring stockings into this country, dyed and finished, and compel us in America to pay the same duty we pay on this" [exhibiting an unfinished stocking].

Now, one more thing I would like to say to you. I hold in my hand an unfinished piece of cloth, worth 4 cents a yard. The moment it is colored or bleached, or any coloring matter enters into it, there is

a duty on it of 3 cents per square yard, or 35 per cent ad valorem. I do not know as it is necessary for me to say anything more in this respect.

I wish to say one thing in connection with the law that the chairman has stated. Being interested in both manufacturing and importing, I have had considerable to do with undervaluations, having looked after it in New York and Philadelphia. I agree with the gentleman in regard to what has been said about undervaluations. At first I was in favor of an ad valorem duty; other gentlemen were in favor of a specific duty. We have tried to agree upon something that you gentlemen would consider fair. Our object, as the chairman has said, is to prevent these undervaluations. I am free to say to you that I have been, in the last year or two, in connection with the Government, working hard, with detectives, to try and prevent undervaluations. It is not those gentlemen who are American citizens, who have lived here for years, who are doing this crooked work. My experience has been—and we had one in New York last week—that it is the manufacturers on the other side, who have representatives here, with no interest in our country, who are bringing these goods to us. They are undervaluing them and they are injuring the domestic and importing interests of our country.

Now, you would naturally say to me, "Why do you not make them honest." Now, gentlemen, it is impossible for an appraiser to tell the value of hosiery within 1 cent per dozen, which makes a difference, such as has been described to you. When that is impossible, who is to decide whether the importer, or the man who makes the claims that it is undervalued, is correct. Before I came here I consulted the officers at the appraisers department in New York. I said to them, "Gentlemen, have you anything to say to me in regard to the tariff on hosiery?" They replied, "Give the authorities here the simplest way, that we may be able to collect the duty due the Government and do everything that you can to prevent fraud." I say to you, gentlemen, frankly, that I supported the McKinley bill, and Administrative bill, but I never supported the clause the chairman of the committee has mentioned in the tariff. I saw a long while ago that the foreigners were bringing stockings in here a great deal less than we supposed they could. I find that it was a mistake to have classification of different values, and I say, gentlemen, to you, it has proved a great loss to our country. It has kept the Government from receiving the revenue due it, and has been a bid to thousands to become dishonest.

Mr. TARSNEY. Where is the defect in the system now that encourages and permits these undervaluations and frauds, or fraud by undervaluation?

Mr. SMITH. In reply, I will state, if this stocking in Europe costs 2 marks, 52 pfennigs, which is less than 60 cents, it is brought in here at 20 per cent ad valorem and 20 cents per dozen. Now, if I bring that in undervalued, that is all I pay. If this gentleman here, or any other gentleman, buys it and pays 61 cents, and should bring it in, they would pay 30 per cent ad valorem and 50 cents per dozen.

Mr. TARSNEY. Where is the defect in the law which permits that?

Mr. SMITH. I think it is in this way: I may buy this stocking today, in Europe, or contract for its manufacture and delivery for next season. When it is ready for delivery yarn may be lower or 10 per cent higher. Now, how can any one tell the actual value, within 10 or 15 per cent, of any stocking brought into this country under those conditions?

immediate time of import?

Mr. SMITH. Now, there is a question. I may say that stocking cost me to-day 60 cents per dozen; any of these gentlemen can buy it at that price, and the custom-house authorities may say that the value of the stocking is 61 cents. Now, the question is to-day, whether they have a right to say the value is 61 cents, because they think so, or whether it is 60 cents, because that was the price at which anyone could buy on the other side.

Mr. TARSNEY. The question of value must be determined by experts, whether Government experts, or the importer, or anyone else?

Mr. SMITH. I would like to say, at this time, that I have claimed that there should be a law that if a man brings goods in undervalued he should not be taxed; he should be imprisoned. The law states that any undervaluation above 40 per cent the collector may have the man prosecuted. I think it should read that in case of fraud it should be the duty of the collector to prosecute.

Mr. TARSNEY. Then the trouble is in the defects of the law—the administrative system?

Mr. SMITH. It is in this——

Mr. TARSNEY. The defect is in the law; it is not any inherent defect in the business; can you show how these undervaluations could be reduced to a minimum; will the law which you urge do that?

Mr. SMITH. I do not think, under the present tariff, it can be made so as to collect duties to the Government.

Mr. TARSNEY. Suppose, instead of imposing the penalty now imposed by the law, which is merely nominal, the goods were absolutely forfeited?

Mr. SMITH. I do not think you could do that.

Mr. TARSNEY. Suppose the law were made rigid enough to put a few of these honest undervaluers in the penitentiary, it would have a salutary effect?

Mr. SMITH. It would certainly have an effect.

Mr. TARSNEY. Then that is all within the provisions of any remedy by the law?

Mr. SMITH. You gentlemen, who have now an opportunity to see the defects in the law, can remedy the laws by simply having them get rid of this graduating system. It is the simplest way to get out of the present trouble.

Mr. TARSNEY. In order to accomplish the results just called out by Mr. Payne of making the poorest class of goods, consumed by the poorest class of consumers, pay greater than those who purchased the higher grades——

Mr. SMITH (interrupting). I will say this, there seems to be a misunderstanding in regard to that. The quantity of high-priced goods we import in this country is very small indeed in comparison to the quantities of goods imported, as our chairman says, of middle or low priced goods.

Mr. TARSNEY. Now, another matter. You say that there is no duty on the finished black hose more than upon the plain uncolored?

Mr. SMITH. There is no more duty on this stocking than upon that [illustrating].

Mr. TARSNEY. Your industry is in coloring?

Mr. SMITH. In coloring and finishing.

Mr. TARSNEY. Upon either of which there is no protection?

Mr. SMITH. They have no protection.

Mr. TARSNEY. And this is purely an American industry?

Mr. SMITH. Yes, sir.
Mr. TARSNEY. Grown up here in the last seven years?
Mr. SMITH. Yes; and growing very fast.
Mr. TARSNEY. How extensive is it at the present time?
Mr. SMITH. I can only say that at Sterling a place has grown up, which we have now in mills and houses for the workingmen, thirty-five buildings alone.
Mr. TARSNEY. In one town?
Mr. SMITH. There is nothing else there.
Mr. TARSNEY. Then you tell us there is a large industry of that character in Philadelphia?
Mr. SMITH. Yes, sir; there is one company there which dyes and finishes over 3,000,000 pairs annually.
Mr. TARSNEY. Where else?
Mr. SMITH. All over the country.
Mr. TARSNEY. And that industry has grown to that proportion in seven years without any protection whatever?
Mr. SMITH. No, sir; I will tell you why. When this——
Mr. TARSNEY. You are asking for protection on it now?
Mr. SMITH. When we first started this business here the stocking cost three times as much to dye in Europe as it does now.
Mr. TARSNEY. You say there is no difference in the imported cost of this finished stocking and the one that is unfinished, and that you take the unfinished one and dye and finish it here?
Mr. SMITH. I do not know that I quite understand you.
Mr. TARSNEY. This stocking, which is finished, can be imported from Europe without any additional duty, and your industry consists in coloring and finishing?
Mr. SMITH. Yes, sir.
Mr. TARSNEY. Why should there be protection on that?
Mr. SMITH. When we first started that business it cost in Europe three times as much to dye and finish as it does now, and they have gradually reduced the price there, so that we now seek protection in order to compete with them.
Mr. TARSNEY. You are seeking for something you have not had, except that which competition gives you?
Mr. SMITH. We have had increased values here——
Mr. TARSNEY. So, if I understand you, colored finished hosiery is not in the tariff?
Mr. SMITH. Colored finished is.
Mr. TARSNEY. I mean there is no difference from the uncolored and the unfinished?
Mr. SMITH. There is no discrimination in the tariff between these.
Mr. TARSNEY. As to the coloring and finishing there is no distinction in the tariff schedules?
Mr. SMITH. No.
Mr. TARSNEY. And it is to shut out or impede that importation of colored hose, with some additional legislation, that you are now asking?
Mr. SMITH. No, sir; we say it is not right for the importer to bring in stockings all dyed and finished the same as those which are not dyed, and which they can do under the present law.
Mr. TARSNEY. During all this time this industry of coloring and finishing has been growing up in this country, and there was no specific duty here, or special duty against the coloring?

Mr. SMITH. None at all; only this, that they have been reducing their prices on the other side in order to compete with us.

Mr. REED. Wait a moment before you go. You say that they have been steadily reduced; what has that reduction been made out of—from profit?

Mr. SMITH. That I do not know. I only know this: For instance, to dye a hose in Europe which might have cost, when we commenced our dyeing and finishing, say 70 cents per dozen, they got it down to 60 cents and 50 cents, and now it is down to 30 cents.

Mr. REED. They have been following you right down?

Mr. SMITH. Yes, sir; right down, and we claim that our dye is superior to the foreign, but we can not compete with them without we have the same quality of goods.

Mr. PAYNE. The bulk of these white stockings are imported at less than 60 cents?

Mr. SMITH. Now? Yes, sir.

Mr. PAYNE. When you finish them, by dyeing them, they are worth more than 60 cents per dozen?

Mr. SMITH. Yes, sir.

Mr. PAYNE. Those which are imported in the black are valued at more than 60 cents and pay a duty on more than 60 cents?

Mr. SMITH. I wish it was. Usually it is so, but to-day, the chairman of our committee and the rest will bear me out, the importer can now import, to-day, dyed and finished stockings in this country for 60 cents a dozen, because on the other side——

Mr. PAYNE. As good as this?

Mr. SMITH. That is the high-priced stocking.

Mr. PAYNE. You said that there were not many high-priced stockings imported; how do you know that fact? I am told to the contrary.

Mr. SMITH. I am an importer of these goods, and sell them in the black exclusively. I say this: Seven years ago I believe that the goods we sold on this market would average a dollar a dozen higher than they do to-day.

Mr. PAYNE. Of course, there has been a general reduction of values all along the line. Now, your business has grown faster in the last two or three years than the first three years?

Mr. SMITH. No, sir; it has not grown fast in the last year or two as formerly.

Mr. PAYNE. But in the last three years?

Mr. SMITH. No, it has not.

Mr. PAYNE. Has not a large proportion of the development been in the last three years in dyeing?

Mr. SMITH. No sir; we have had more competition.

Mr. PAYNE. I did not mean your individual firm; I mean the dyeing business generally.

Mr. SMITH. It has increased very rapidly.

Mr. PAYNE. Much more rapidly than formerly?

Mr. SMITH. Yes, sir.

Mr. PAYNE. And the prices have gone down steadily?

Mr. SMITH. Yes, sir; and I am free to say that the price of all goods, under the McKinley bill, is lower to day than it was before the bill was passed.

Mr. PAYNE. Now, this matter of the administrative part of the tariff law is not a new matter; it has been a matter that has been studied for many years?

Mr. SMITH. Yes, sir.

Mr. PAYNE. And the McKinley administrative bill was the result of a number of years' study given to it by members of both parties, in order to get an honest conclusion in regard to it?

Mr. SMITH. I will say to you that Mr. McKinley himself said to me, "Mr Smith, is there anything that you have to suggest in the administrative bill that will help to make honest importations?" And I said, "I do not think there is; I think it is about right." But like everything else, after we see the result experience can help us, and I look at it in this way: You gentlemen, with the information that you have now and the experience of the past may be able to remedy any defects in the administrative part of the bill.

Mr. PAYNE. Would an additional classification of these goods help out to the collection of their duty—making another class?

Mr. SMITH. I do not understand you.

Mr. PAYNE. I mean to make a class of goods, say, below 50 or 40 cents—make an additional class with a lower rate of duty.

Mr. SMITH. I do not think it would. I think this, that any amendment where you make a graduated schedule is a bid for undervaluation, and of this I am positive. There is no question in my mind, with all my experience of years, that the manufacturer and honest importer wishes to avoid the classifications. Whatever you do, avoid classification.

Mr. PAYNE. For the same reason you would avoid ad valorem duty, would you not?

Mr. SMITH. I will say this, that when I met these gentlemen from New York I wanted an ad valorem duty and the chairman wanted a specific duty, and together we have concluded to bring to you gentlemen the result of our deliberations. We said this: We can not get a specific duty, we can not get an ad valorem duty; now we will bring this matter to the attention of your committee, and with their intelligence they will provide the country with a measure, whereas we will avoid undervaluation and the Government will receive all the dues due it.

Mr. PAYNE. There would be some temptation to fraud, with an ad valorem, for undervaluation?

Mr. SMITH. Yes, sir.

Mr. PAYNE. That would not help the matter any.

Mr. REED Are these colored stockings imported?

Mr. SMITH. Yes, sir.

Mr. REED. Are the white ones imported?

Mr. SMITH. Yes, sir.

Mr. REED. And both are imported at the same price, at the same valuation?

Mr. SMITH. Yes, sir; the same duty.

Mr. REED. What is that duty, an ad valorem or a specific duty?

Mr. SMITH. It is both, now.

Mr REED. It is both ad valorem and specific?

Mr. SMITH. Yes, sir.

Mr. REED. Now, that colored stocking is interior to the white one?

Mr. SMITH. No; they are both of the same grade of goods.

Mr. REED. Do you mean to say that they can both be imported for the same price?

Mr. SMITH. They could be brought in under the same duty. This is the way: If the American manufacturer makes these stockings here to-day an importer can bring those stockings in, all dyed and finished, under the same rate of duty as this.

Mr. REED. The white ones?

Mr. SMITH. Yes, sir.

Mr. REED. After having best owed that additional labor it creates no increase of value?

Mr. SMITH. Only in this way, and I would like to state it. If the duty on these stockings is, for instance, 30 per cent now, the foreigner is importing these stockings and would pay a duty of 30 per cent, which, say, cost 30 cents, so he would pay 9 cents more than the American would, and that is what the American would have to contend with here.

Mr. REED. He would pay more than the American would? How do you mean? I do not understand this at all.

Mr. SMITH. If you import this stocking, which you bought on the other side dyed and finished, you would pay, say it cost 30 cents a dozen to dye and finish, then you would pay the Government 30 per cent on 30 cents, which would be 9 cents. Now, then, when I bring this stocking in the value is a little less. I would bring it in and pay the same duty, but I would have the advantage of simply 9 cents per dozen.

Mr. REED. Now, then, for these colored goods, which you manufacture, and the manufacture is increasing, you have an advantage of 9 cents under the tariff?

Mr. SMITH. Under the present tariff.

Mr. REED. Then you were incorrect in saying that they were precisely the same, and you did not have any advantage under the tariff?

Mr. SMITH. Excuse me.

Mr. REED. Answer my question.

Mr. SMITH. Yes, sir.

Mr. REED. Then you made a mistake in saying that?

Mr. SMITH. If you understood——

Mr. REED. And consequently, if Mr. Tarsney inferred that this grew up without protection it is a mistake of 9 cents per dozen?

Mr. SMITH. It is a mistake of 20 cents, where the bulk of goods are imported; 20 per cent ad valorem and 20 cents specific.

Mr. REED. How much?

Mr. SMITH. If you paid 20 cents more than I do it would be 4 cents per dozen.

Mr. REED. Then you have had the advantage of 4 cents on this white stocking, or what I may call the blank?

Mr. SMITH. Between 4 and 9.

Mr. REED. This white stocking is imported for 4 cents less in one case and 9 cents less in the other case, so you have had protection to that extent, and now you find that you want more because they are reducing their price abroad in consequence of your competition. That is a fact?

Mr. SMITH. Yes, sir.

Mr. REED. How can you state to us that you did not have any protection at all?

Mr. SMITH. I meant we had not the protection we supposed we had. We supposed that we would have a less duty on this class of goods than on the colored goods.

Mr. REED. You supposed?

Mr. SMITH. That is what I meant to say to you when I stated we had no protection.

Mr. REED. Now, as a matter of fact, the white goods you can import *for less* than the colored goods.

Mr. SMITH. With the difference you have stated.

Mr. PAYNE. I want to give you an opportunity to correct another statement. I find for the year ending June 30, 1892, the importation of cotton hose valued at no more than 60 cents per dozen has been 1,233,367 dozen, and those valued at more than 60 cents and not more than $20, was 3,371,002 dozen pairs, so you must have been incorrect in your statement that the larger importations were of the cheaper hose, under 60 cents.

Mr. SMITH. I say this——

Mr. PAYNE. The value is foreign value, on the 60 cents?

Mr. SMITH, The foreign value on the 60 cents, yes, sir.

Mr. PAYNE. It would be incorrect to say that there is a larger importation of the cheaper?

Mr. SMITH. I am only speaking of my own business in that respect.

Mr. PAYNE. Now, you claim to have information of all importations?

Mr. SMITH. I will state Mr. Lowy claims, or believes, the sale of high-priced goods has decreased very much, and I simply bear it out. Where we used to sell goods at $4.50 our business has run to about $2.25 or $2.50.

Mr. PAYNE. Mr. Lowy is mistaken, or else the United States are wrong.

Mr. REED. Do you import your goods directly, yourself?

Mr. SMITH. Yes, sir.

Mr. REED. Do you order them or buy them made?

Mr. SMITH. We order them made abroad.

Mr. REED. They are sold to you at a given price in Germany—is that where they are made?

Mr. SMITH. Let me explain——

Mr. REED. Will you answer my question first? Dou you buy these goods at a fixed price?

Mr. SMITH. Yes, sir.

Mr. REED. Are any of these goods sēnt here to agents or manufacturers?

Mr. SMITH. They have been.

Mr. REED. Now, are these goods sold in New York at a cheaper rate than you are able to buy them for in Germany, and pay the duty?

Mr. SMITH. Yes, sir.

Mr. REED. How is that done?

Mr. SMITH. It is done by undervaluation.

Mr. REED. The parties have an advantage by their sending over to their agents and giving a lower price to the custom-house than you are able to give to make bona fide purchases from the other side.

Mr. SMITH. It has been so always.

Mr. REED. That has been one of the troubles that would act as a practical lowering of the duties. Has it not done that right along?

Mr. SMITH. Yes, sir.

Mr. REED. Since the repeal of the moietes act, you have not had the protection to the full extent the statute gives you?

Mr. SMITH. I do not know what that act is.

Mr. REED. Do you not recollect the moietes act?

Mr. SMITH. No, sir.

Mr. REED. Your business does not extend back to that point perhaps?

Mr. SMITH. No, sir.

Mr. REED. What interest is there to anybody except to discharge public duty faithfully, to detect and punish these undervaluations; any?

Mr. SMITH. There is no interest that they have except——

Mr. REED. There is no money to them?

Mr. SMITH. No, sir.

Mr. REED. While there is perpetually money to the defrauders, who have their agents here?

Mr. SMITH. Yes, sir.

Mr. REED. And consequently there is an intelligent self-interest continually operating in the direction of undervaluation?

Mr. SMITH. Yes, sir.

Mr. REED. And there is no pecuniary interest operating the other way?

Mr. SMITH. No, sir.

Mr. REED. Consequently there would be more or less practical difficulty, even if the stringent laws Mr. Tarsney dreams of, in punishing these people, without having persons pecuniarily interested in looking after the cash of the country?

Mr. SMITH. I have concluded that it was difficult to make people honest.

Mr. REED. That is, you must beat a dollar and a half with a dollar and a half?

Mr. TARSNEY. You have stated that there has been a constant decline in the market value of hosiery?

Mr. SMITH. Yes, sir.

Mr. TARSNEY. Has not there been a constant decline in the price of cotton?

Mr. SMITH. That is a matter in regard to which there are other gentlemen who can give better information.

HOSIERY AND UNDERWEAR.

(Paragraph 333.)

STATEMENT OF MR. PILLING, CHAIRMAN OF THE PHILADELPHIA MANUFACTURERS' CLUB.

Mr. CHAIRMAN: Our plan is to present two papers. One in regard to cotton hosiery and cotton underwear, and the other paper in regard to woolen hosiery and woolen underwear. Mr. Osborn will read the paper on the subject of the cotton, and he will then be followed by Maj. Hansom, of Macon, on the subject of the woolen schedules.

STATEMENT OF MR. OWEN OSBORN, REPRESENTING MANUFACTURERS OF COTTON HOSIERY, SHIRTS, AND KNIT GOODS.

Mr. CHAIRMAN: We will be brief in the extreme, and we have consolidated our statement upon the cotton hosiery as closely as possible, I think, in presenting this case, but I think it would be wise to first state the duties which are now being paid. The duty upon cotton hosiery is 20 per cent ad valorem and 20 cents specific up to 4 cents specific and 40 per cent ad valorem up to $2; 75 ce and 40 per cent ad valorem up to $4; $1 specific and 75 valorem above. Not wishing to antagonize the proposition been made to you by the importers, we would simply say the goods are now $1.75 and 75 and 40 by that proposition be reduced to 40 and 20. The goods which are now 20 and

they have been talking about, would be increased 10 cents on the dozen duty, and they are the goods that cover the feet of the millions.

This delegation appears before your honorable body as representatives of the cotton hosiery, shirt, and drawers manufacturers of the United States. In urging upon you the importance of maintaining the whole schedule upon these goods as it now exists we speak for the knitting industry of the entire country.

We will confine ourselves first to the questions of cotton hosiery, and in this connection advance the following reasons for preserving the existing rates: First, importations of cotton hosiery have increased under the present rates; second, cotton hosiery, particularly the lower grades, have uniformly decreased in price to the consumer; third, labor has been fully employed and has been enabled to earn more money than under the old rates; fourth, the foreign manufacturer has paid the tax, particularly on the lower grades of goods; fifth, the number of factories making this character of goods has largely increased under the act now in force; sixth, the consumer in Germany pays more for the lower-grade hosiery than the consumer in this country.

In support of our first statement, statistics for the year 1889 show the importations of cotton knit goods to have been $6,389,325, and for the corresponding period in 1892 to have been $5,829,246. While this shows a falling off in value, the goods brought in 1892 were much lower in price, and consequently many more dozens of goods were imported.

For the year ending June 30, 1893, the importations of cotton knit goods amounted to $6,385,973, while for the year ending June 30, 1892, they amounted to $5,833,652, showing an actual increase in revenue for 1893 and of course a still greater increase in dozens.

As to our second proposition, that prices have uniformly declined under the higher rates, we refer you to any honest merchant in the country. It is an indisputable fact that for the past two years it has been possible to buy cotton hosiery "over the counters" from 10 to 25 per cent cheaper than before the present act went into effect. This result has undoubtedly been brought about by home competition, and the result is just what was foretold by manufacturers of this interest who appeared before the committe of the Fifty-first Congress.

Our third proposition, that labor has been steadily employed and has earned more money, is a fact well known to every manufacturer in the country. Until a recent period it was almost impossible for hosiery and knit-goods manufacturers to secure help enough to fully operate their factories, and manufacturers were compelled to teach inexperienced hands, at considerable cost to themselves.

When we say in our fourth statement, that the foreign manufacturer has paid the tax, especially upon cotton hosiery, we state what we believe can not be successfully disputed, when the fact is considered that, notwithstanding present duties, goods in this country are cheaper to the consumer.

The foreign manufacturers were quick to see that in order to hold their trade with the United States it would be absolutely necessary to reduce costs of manufacture, as well as profits, upon those grades of hosiery, which, to quote from schedule, "are valued under $2 per dozen." To this end, immediately after the passage of the existing act, a meeting of manufacturers was called in Chemnitz, Germany, when the workingmen present were addressed by a prominent manufacturer from the balcony of a hotel, who stated that it was of the utmost importance for them to hold the trade of the United States, and to do this it would be

necessary for the workmen to accept a decided reduction in wages, and they were given 15 minutes to decide between accepting the proposed reduction or enforced idleness. The workmen promptly accepted. Since then the Chemnitz manufacturers have been sending cheap goods into this country, but at prices far below what they asked prior to the time when the present law went into effect. They were forced to thus pay the duty themselves, simply because of the competition of the home manufacturer.

To prove that the number of factories engaged in the manufacture of knit goods have largely increased, we refer you to the American Directory of the Hosiery and Knit Goods Manufacturers of the United States, which shows the total number of such institutions in the United States for 1893 to be 993, and for the year 1888 to have been 721, an increase of 272.

States.	1888.	1893.	States.	1888.	1893.
Alabama		8	Nebraska		1
California	2	2	New Hampshire	50	46
Colorado		2	New Jersey	20	25
Connecticut	30	32	New York	201	208
Delaware		5	North Carolina	2	13
Georgia	2	9	North Dakota		1
Illinois	21	27	Ohio	51	49
Indiana	9	13	Oregon	2	4
Iowa		6	Pennsylvania	162	222
Kansas	2	2	Rhode Island	16	19
Kentucky	1	4	South Carolina	1	1
Louisiana	3	5	Texas	1	4
Maine	3	9	Utah	4	9
Maryland	4	7	Vermont	11	15
Massachusetts	74	116	Virginia	2	16
Michigan	20	22	Washington		2
Minnesota	2	9	West Virginia		4
Mississippi		4	Wisconsin	17	16
Missouri	2	5			

These are distributed over thirty-seven States, and the list which is herewith submitted shows their location at this time as compared with the year 1888.

It will be seen from this statement that this industry is spread over the entire country, and is fast gaining a foothold in the South and West.

So far as our sixth statement is concerned, that the German consumer pays more for his goods than the American, we herewith submit samples. Those marked Exhibit A, B, and C are domestic goods, and such as are commercially known as "seamless stockings." Those marked D, E, and F are German-made goods.

Referring to sample marked Exhibit A, this is a sock of high intrinsic value and is sold in this country over the counter for 6 cents per pair. No such goods are procurable in Germany for any such sum. Samples marked exhibits B and C are domestic goods of the seamless type, and samples marked D and E are German goods. These goods sell side by side in this market at the same price and are made to retail here at two pair for a quarter of a dollar. This is about the same price asked for such goods in Berlin by the retailers.

Your attention is called to the difference in texture between these samples. It will be noticed that the domestic goods present much the best appearance, and are practically without seams, while the foreign goods are made from the cheapest quality of cotton, of very short fiber, and seams of a more or less objectionable character are present.

short, it is clear to the most inexperienced that much better value is given in the domestic article for the same price.

While it is true that importations of this class of goods have increased, and it is also true that domestic manufacturers have likewise increased, it does not follow that the consumption of goods has increased in like proportion. Prior to the enactment of the present law the bulk of the hosiery made in this country was what is known as cut hosiery, which consisted for the most part of simple tubes of fabric, cut to shape and sewed together by ordinary sewing-machine processes. This class of hosiery has been largely displaced by the cheap so-called fashioned imported goods, and still more largely by the seamless stocking, a product purely American in origin and development.

In making cut hosiery it was clearly possible for an operator to make from 35 to 50 dozen pairs per day, while 6 dozen per day is a fair average in the manufacture of the seamless goods, so that it will readily be seen that more operatives, more and a different kind of machinery, and consequently more capital are required to produce seamless hosiery, and it is still more expensive to produce full fashioned hosiery.

Having briefly shown the difference between the various styles of hosiery, it should be understood that the "American seamless stockings" is intrinsically much superior to either the old form of cut stocking or the so-called fashion imported stocking.

Prejudice has existed against it and in favor of the fashioned article, but this is being fast overcome. In witness whereof we call your attention to the recent action of the British war office, which, in placing its orders for stockings for the army, stipulated that they should be of the "seamless type," on the ground that they found greater favor with the soldier than the fashioned goods heretofore used.

The high place which this article of American manufacture holds in the market of the world to-day is almost entirely due to the wise provisions of the present tariff laws, which gave opportunity for improvement and development; and, as a consequence, machinery and process have steadily advanced until we now see the product accepted by the most critical buyers.

We now solemnly assure you that any reduction of the present rates, particularly on the lower grades, will surely drive the domestic industry from the strong position it has attained. Machinery, which until recently, has been running to the full capacity, will be idle and our people will be forced to work for less reward, which means an approach to the wages paid to the Chemnitz operators, which, in this industry, may be represented by a mark paid in Germany for the dollar paid in this country. This approach must proceed in just such proportion as the present rates are disturbed.

Referring to the question of cotton underwear, all that we have said in connection with cotton hosiery applies with equal force to underwear. If any changes are contemplated in this line, in the direction of a reduction of duty, it will surely mean an increase of importations, a decrease of domestic production, and a reduction in wages to American labor.

A large amount of the cotton underwear now used is made up of what is commercially known as "ribbed underwear."

Prior to the enactment of the present law the ribbed-underwear industry of this country was, practically speaking, in the experimental stage, and since that time many improvements in both machinery and process have resulted in an immense increase of production. This has taken place despite the fact that goods valued at $1.50 per dozen and

less came into the country at a rate of duty out of all proportion to the higher grades.

At the time the present schedule was prepared it was impossible to say just what the future of the industry would be, and it was certainly never intended that goods which take rank with full fashioned goods should come in the same class with common cut hosiery.

If, therefore, any changes are to be made in this schedule we are of opinion that it would be an act of simple justice to separate underwear from cut hosiery, and cover goods valued at $1.50 or less by a duty of 50 cents specific and 35 per cent ad valorem, and all goods over $1.50 to remain as under the present schedule.

It was stated by certain importers who were heard before the committee of the Fifty-first Congress, that if the proposed rates on knit goods were adopted trusts and combines would spring up all over the land, etc.

Results since that time show nothing of the kind has taken place, and we wish to call your attention at this time to the peculiar conditions which govern, have governed, and always will, in the very nature of things, govern the knit goods business in this country.

As we have already stated, it now comprises 993 concerns, and these are not located in any one section of the country, but reach out over the whole length and breadth of the land. All through the South and West it is not uncommon to find a knitting factory of some kind. And it has been found that, while many other branches of industry are more profitable to the projectors, there is none which gives employment to more persons, and at the same time on account of the staple character of, and universal demand for, the products, assures a sale thereof, as a matter of course, at a very close margin.

It may be safely asserted, without fear of contradiction, that many a plant of this character has been installed with the main idea of giving employment to certain classes of persons who otherwise would have nothing to do.

In the face of all this it is clearly unjust to talk about trusts and combines in connection with an industry which is green and open to all, when the best machinery is easily procured and at low cost, and where, as is being illustrated constantly, the workman of to-day is the employer of to morrow.

Mr. PAYNE. Do the manufacturers dye any of these stockings?

Mr. OSBORN. Some do, and others do not.

Mr. PAYNE. A large proportion of the black stockings were consumed in this country from the beginning?

Mr. OSBORN. Yes, sir.

Mr. PAYNE. So it is not necessary to import them for the purpose of dyeing?

Mr. OSBORN. No, sir.

Mr. PAYNE. What proportion of the stockings are sold in the white, like that sample there?

Mr. OSBORN. A very small proportion.

Mr. PAYNE. They used to be large?

Mr. OSBORN. Yes, sir; at one time the balbriggan hose was on top; black hose only came in in the last few years, and to-day but a small proportion of the white are sold.

Mr. PAYNE. What proportion of the hose sold in this country are of the higher price; I want to know whether it is a large industry?

Mr. OSBORN. It is not a very large industry to-day, but we are pushing that trade.

Mr. PAYNE. And the value of the hose, that is, the high price, is gradually becoming finer and more costly?

Mr. OSBORN. In the domestic manufacture.

Mr. PAYNE. That is, they bring it to a finer finish and get a larger price; there is a large trade in the $5-dozen hose?

Mr. OSBORN. Yes, sir.

Mr. PAYNE. The same factories are equipped for making that high-priced hose?

Mr. OSBORN. Yes, sir; that is true.

Mr. PAYNE. If this duty proposed by the importers was adopted it would stop that manufacturing industry?

Mr. OSBORN. Yes, sir. I asked that question of a manufacturer last night and he said they would close right up.

Mr. PAYNE. While it would be prohibitive in the lower prices?

Mr. OSBORN. The 40 and 20?

Mr. PAYNE. Below 60.

Mr. OSBORN. It would. The 10 cents—I very much doubt whether it is going to keep these goods out. There is 10 cents a dozen. With the chairman's permission I would like to introduce Mr. Hansom, of Georgia.

Mr. BRYAN. Did you appear before the committee in the Fifty-first Congress?

Mr. OSBORN. Yes, sir.

Mr. BRYAN. Did you ask for an increase under the McKinley bill?

Mr. OSBORN. Yes, sir.

Mr. BRYAN. Was your company or firm which you represented making a large profit at that time?

Mr. OSBORN. No, sir.

Mr. BRYAN. And you say prices have gone down since that time?

Mr. OSBORN. Yes, sir.

Mr. BRYAN. And wages have gone up?

Mr. OSBORN. I said more labor was employed and more money paid for wages, and in some instances more wages are paid individually where more labor is used.

Mr. BRYAN. Have you decreased the cost of production since 1890?

Mr. OSBORN. No, sir: the cost of production has been increased by making better goods. We have dropped cut hose where a man would make 35 dozen goods and gone to a product where they would make say 16 dozen.

Mr. BRYAN. Has the price of the same piece of hose fallen since that time?

Mr. OSBORN. On the same piece of hose; besides, it has fallen on this knit hose because machinery, together with the duty, has broken down the market.

Mr. BRYAN. Then you do not make cut hose any more?

Mr. OSBORN. Very few.

Mr. BRYAN. You have gone since the passage of the McKinley bill into the making of seamless hose?

Mr. OSBORN. That is it exactly.

Mr. BRYAN. Does it sell for as low a price as the cut hose?

Mr. OSBORN. It is right down on the same basis. Competition is bringing it right down to where really I am surprised at the price it is sold at to-day.

Mr. BRYAN. Is the fall in price due to competition or decrease in the cost of production?

Mr. OSBORN. It is due to competition.

Mr. BRYAN. If it were not for the competition you would ask more for the goods?

Mr. OSBORN. We have certainly been driven to our prices by home competition.

Mr. BRYAN. And you want the tariff left where it is to increase competition?

Mr. OSBORN. Our idea was to improve the goods to the people. That is the thing we had in view when we appeared before the Fifty-first Congress. Since that time many plants have been started in full fashioned goods.

Mr. BRYAN. Do you desire the tariff retained in order that competition may still increase?

Mr. OSBORN. No, sir; no manufacturer invites competition in that sense, but he wishes the duties to remain because he is doing well under them to-day, employing a great many people, spreading his factories all over the country, running 271 more since the bill passed, and we think it is a good thing for the people.

Mr. BRYAN. And these new industries are all due to the tariff being raised?

Mr. OSBORN. Well, very nearly all, if not all, of those are due to that fact.

Mr. BRYAN. Has there been any increase in the number of factories?

Mr. OSBORN. There was an increase; our statement is to that effect. There was a product of 25,000 dozen hosiery when we made our statement before the other committee for a protective duty.

Mr. BRYAN. You want to be understood that the decrease in price is due to competition and not to improved machinery at all?

Mr. OSBORN. It is due to improvement in machinery, yes, sir; it is due as well, I think, to competition.

Mr. BRYAN. Was any of that fall due to the decreased price of raw cotton?

Mr. OSBORN. Yes, sir; as cotton goes down our prices go down.

Mr. BRYAN. So that you really think the fall was due to competition?

Mr. OSBORN. Cotton is free and the difference in the fall and rise is a small percentage in comparison with the labor used in this country.

Mr. BRYAN. But when cotton falls 2 or 3 cents, does not that effect the price of the goods?

Mr. OSBORN. It certainly does.

Mr. BRYAN. That is, part?

Mr. OSBORN. Especially in heavy weights.

Mr. BRYAN. And part is due to improved machinery?

Mr. OSBORN. Yes, sir.

Mr. BRYAN. You say that the same goods are sold for less in Germany than in this country, the same quality of goods?

Mr. OSBORN. Yes, sir.

Mr. BRYAN. You say they are sold for less in this country?

Mr. OSBORN. They are sold in Germany at the same price as here on their counters to the consumers.

Mr. BRYAN. Is that because the retailers get more profit there?

Mr. OSBORN. The retailers get a higher price.

Mr. BRYAN. Do the retailers make more profit there than here?

Mr. OSBORN. Yes, sir.

The CHAIRMAN. Germany has a protective tariff, of course.

Mr. BRYAN. Then you think the increased cost to the German consumer is due to the increased profits of the retailer in Germany?

Mr. OSBORN. Very largely to that fact.

Mr. BRYAN. What is the cost of making hose in Germany as compared with this country; taking a particular pair of hose, what is the cost of making that in their country and here?

Mr. OSBORN. It would be necessary to go into the items of cost to ascertain, and we can only say in labor costs it stands as 1 mark to $1.

Mr. BRYAN. In wages per day?

Mr. OSBORN. Yes, sir; per day.

Mr. BRYAN. But I am asking in regard to the cost?

Mr. OSBORN. The scale is that if he got 2 marks there he would get $2 here.

Mr. BRYAN. I am not asking for wages per day, but I was asking in regard to a pair of hose; what is the difference in the cost of making that in Germany and here?

Mr. OSBORN. The labor cost would stand at 4 to 1.

Mr. BRYAN. Do you know whether your operative in this country makes the same number of pairs of hose as one does in Germany?

Mr. OSBORN. Yes, sir.

Mr. BRYAN. Exactly the same?

Mr. OSBORN. He makes about the same.

Mr. BRYAN. So the efficiency of the labor is the same in this country as in Germany?

Mr. OSBORN. Yes, sir.

Mr. BRYAN. Then you do not agree with Mr. Blaine, that we more than make up in efficiency what we lose in higher wages per day?

Mr. OSBORN. We can not make that entirely up in efficiency. Where will you get that out of? You can not make it up entirely in efficiency.

Mr. BRYAN. Do you mean to say our labor is no more efficient than the German?

Mr. OSBORN. It is no more efficient when properly taught. We have people in our works there who have equal efficiency.

Mr. BRYAN. You mean to say that if the tariff were taken off entirely these goods selling in Germany at a higher price than the same goods sell in this country would come over here and run our goods out of the market?

Mr. OSBORN. If the tariff were entirely taken off, the goods would run our goods out of the market.

Mr. BRYAN. Notwithstanding the fact that they are being sold for more in Germany than they are sold here?

Mr. OSBORN. Yes, sir; to their own people.

Mr. BRYAN. Then they would sell to their own people at one price and sell to our people at another?

Mr. OSBORN. They do.

Mr. BRYAN. Do you export any hose?

Mr. OSBORN. No, sir.

Mr. BRYAN. Is there any hose exported from this country?

Mr. OSBORN. I do not think there is. I think it is safe to say no. I am quite sure not.

Mr. BRYAN. You were speaking about the employes. Do these knitting factories employ women, children, or men?

Mr. OSBORN. All.

Mr. BRYAN. What proportion are women, and what proportion are children, and what proportion are men?

Mr. OSBORN. In the seamless manufactories the proportion is largely women.

Mr. BRYAN. What is the proportion; can you tell it?

Mr. OSBORN. Fully half; half of the employment upon the seamless hosiery would be women.

Mr. BRYAN. What proportion children?

Mr. OSBORN. About one-fifth children.

Mr. BRYAN. Do you know what is the average of wages paid to women in this country?

Mr. OSBORN. We could strike an average straight down, and the wages run along for women, say, $1.25 to $2.25 a day.

Mr. BRYAN. None less than $1.25?

Mr. OSBORN. None of my 300 people get less than that and they get as high as $2.50.

Mr. BRYAN. Now, in regard to children?

Mr. OSBORN. They run according to their skill; for those people who are unskilled they run from $3.50 up a week.

KNIT UNDERWEAR.

(Paragraph 353.)

STATEMENT OF MR. TITUS SHEARD, OF LITTLE FALLS, N. Y.

Mr. CHAIRMAN: I most respectfully ask a few moments attention only. I shall not go into any general argument upon the tariff as generally administered in any sense. I take it for granted you are chosen from among the number of Representatives for your special fitness and adaptability for this business, and therefore you are well informed upon the general subject without any coaching from me.

I may, however, be able to enlighten you upon some details of the business in which I am immediately engaged—knit underwear, commonly called shirts and drawers, overshirts, etc. As to my competency to appear before you, I may say I worked in the mills as a boy in England, and also in this country, and for the past twenty-five years as a manufacturer. At this time I have at work in my mills about 350 men, women, and children engaged in the manufacture of knit shirts and drawers. There are employed in this country to-day, irrespective of the mills which do not make their yarn, commonly called cop-yarn mills, about 1,500 sets of knitting machines with carding and spinning facilities and other appurtenances.

There is invested in these plants, not less than $25,000,000, and there is constantly invested in the manufacture of shirts and drawers and overshirts fully $50,000,000. We employ directly and indirectly about 40,000 persons, and pay in wages not less than $20,000,000 annually, and the output of these mills has been estimated as high as $60,000,000; this I say, irrespective of cop-yarn mills, which have been variously estimated at from 25 to 50 per cent of the whole.

Speaking directly as a citizen of the Empire State in relation to this particular manufacturing interest, I wish to impress the committee with this fact, that fully 70 per cent of this industry is located and carried on in the State of New York, and that a much larger percentage of the production of this industry in the country at large is marketed through its agents located in that State—thereby giving an additional employment to labor and energy and capital—than the measure of which I spoke.

I wish to call the attention of the committee to the fact to which the last speaker representing hosiery alluded, that of the 900 concerns

of them are located within the State of New York; fully 30 per cent of this great industry is located within that Empire State.

This industry has grown under the present system of protective duties, and we do not see how we can continue in the manufacture of those goods profitably to the employer and employé unless the present rate of duties is maintained. Under the present cost of manufacturing, and under the present circumstances surrounding our industry, we most earnestly appeal to you to retain in our tariff laws the full measure of protection which we receive to-day as against the foreign product.

One of the facts connected with the cost of our production to which I wish to call your particular attention is that of wages, which is a considerable and large per cent of the whole cost of our goods. From my personal investigation in England, and from statistics from reliable sources, I find the average wages per capita in hosiery-manufacturing districts average from $165 to $175 per annum, while entirely from a practical point of view I am able to state to you the fact that the average wages per capita in our knit-goods industry is from $400 to $450 per annum. This speaks volumes in itself; yet it is only one of the conditions which go to make up the difference of the cost of manufacture between our country and the European, as it can be fully demonstrated that in Germany and on the continent generally wages are much less per capita than in England.

It is also well known that the cost of our plants exceed the cost of European plants, as well as the cost of interest on the capital invested.

I am instructed to present to this committee the fact that we not only indorse the present tariff as a whole, but that under whatever changes may be proposed, to make it in the same measure of protection, we most emphatically indorse that form and system of tariff which practices the ad valorem and specific combined.

It should be understood by this committee that it is perfectly feasible, simple, and easy to frame a tariff on knitted underwear which is wholly specific in form or partially specific and partly ad valorem, which will be practicable and equitable in operation, and will avoid all the evils of undervaluation. This may not be true of other varieties of woolen goods, but it is certainly true of knitted fabrics.

I am also especially directed to call your attention to the fact that under the present administration of the tariff laws shirts and drawers are properly appraised under Schedule K, paragraph 396, "as articles of wearing apparel."

I may state that knitted cloth is made by the same process of preparation, carding and spinning into yarn as woolen cloths, and that the cloth for knit goods is then made by knitting, instead of by weaving, as in woolen cloth mills. Up to that point of the manufacture of our product we are entitled to the same protection as our brother cloth manufacturer. In addition, however, to that measure of protection we are entitled to the additional one which may be accorded the clothing manufacturer, because we take our cloth and manufacture the same into shirts and drawers for men, women, and children, and are, therefore, entitled to a protection in a double measure as manufacturers of cloth and manufacturers of wearing apparel. If the process of making our underwear was the same as in Europe, where few manufacturers make the yarn, the cloth, and the garment under the same management, then we should be provided for under separate sections, but so far as we can anticipate your action on "clothing ready made and articles of wearing apparel of every description" we take it for granted

that you will give the manufacturer of clothing the same amount of protection as to the manufacturer of cloth, and an addition to compensate him for the further expenditure in making up the same.

It is also a significant fact that of the total labor cost of our manufacturing fully 75 per cent of the whole is paid out for labor in making up the garment after the cloth is produced.

The knit goods industry of this country, commonly known as shirts and drawers, is peculiarly an American industry. First, because we manufacture in this country more largely than in all the rest of the world put together; and, secondly, because we use all we manufacture, which is true of no other country. We do not make those goods for export, but entirely for domestic use. It is within the life of comparatively young men when the product of one large mill would have supplied all domestic demands; but the use of knit underwear has become so universal, both for men, women, and children and youths, that to-day in our country it is an exception to find a single person out of the 65,000,000 who do not wear underclothing of either cotton or wool.

Our manufacturers so nearly meet the general demand that not to exceed $1,200,000 worth of knit goods of wool or part wool, of all kinds and character, are imported annually, and the few shirts and drawers are exclusively luxuries for the very rich. You will, therefore, see that should you reduce the duty upon this article so as to admit of a larger importation, you would thereby displace an equal amount of production in this country, shutting up as many mills in proportion, and would deprive American labor of its legitimate fruits. You may reduce the duty below the importing level on the idea that manufacturers must run their mills and employ labor, but you must not forget the fact that no law which you can pass will compel any of my brother manufacturers to start up their mills and run them at a loss.

Raw materials must first be bought to produce goods, wages must be paid to make those goods, and when they are manufactured and ready for market, if they can not be sold at a profit, the mill shuts down. There is nothing further for the manufacturers to economize, except wages; goods must be sold in competition with those admitted from foreign countries under low duties. If the manufacturer can not make them to compete with the foreign goods and secure a profit, he must necessarily reduce his cost of production, which means a reduction of wages to the laborer.

These are vital points, and of interest to the whole country. I can not believe that your policy is to so fix the tariff that foreign goods may be imported and domestic goods and domestic labor thereby displaced by foreign goods and foreign labor.

I have endeavored thus briefly to impress you with the fact that it is not entirely a question of protection, or tariff for revenue only, but rather the choice on the part of those who shall dictate the revenue policy of our country as to whether we will consume the product of foreign labor and leave our own in idleness, or whether we shall protect our laborers and enable them to receive proper and fair compensation for that labor, and consume in our own country their product.

Mr. BRYAN. Did I understand you to say the total product amounted to $60,000,000?

Mr. SHEARD. As far as I am able to figure the product of shirts and drawers industry which I represent fully sums up the $60,000,000.

Mr. BRYAN. And the amount of wages paid was $20,000,000?

Mr. SHEARD. About $20,000,000.

Mr. BRYAN. So that the labor cost, then, is about 33 per cent?

Mr. SHEARD. Well, sir, the gentleman knows as well as I do there is nothing more fallacious than general averages. While the figures show that, upon any investigation with an effort to obtain an intelligent knowledge of the facts, it could not be obtained in any two mills alike. American goods, which you have seen by the discussions so far, range from $1.50 to $2 per dozen up to $15 and $20, and some of our manufactures $30 and $40.

Mr. BRYAN. I did not want to draw you into any further discussion, but simply want to call your attention to that, and ask if that is the average of the labor cost?

Mr. SHEARD. The facts go to show that the amount paid for labor is about the value of the products, different kinds.

Mr. BRYAN. You commenced manufacturing, you say, about twenty-five years ago?

Mr. SHEARD. Yes, sir.

Mr. BRYAN. You commenced on a small scale and worked up?

Mr. SHEARD. Yes, sir.

Mr. BRYAN. How much have you invested to-day?

Mr. SHEARD. I have invested to-day about $500,000.

Mr. BRYAN. As the result of twenty-five years work?

Mr. SHEARD. No, sir; I had a little when I began.

Mr. BRYAN. But it was on a small scale, you say?

Mr. SHEARD. Yes, sir.

Mr. BRYAN. What did you invest to start with?

Mr. SHEARD. My first investment in machinery, which was a little further back, was in the manufacture of yarn alone. I put up my first mill machinery, including everything, on $700.

Mr. BRYAN. So you have worked that up to a plant of $500,000?

Mr. SHEARD. My plant does not cost that.

Mr. BRYAN. You have that much invested?

Mr. SHEARD. Yes, sir; in bricks, machinery, and capital.

Mr. BRYAN. You say if the foreign goods comes in here they will replace the home goods?

Mr. SHEARD. Certainly they will.

Mr. BRYAN. Did not the last gentleman testify that since the McKinley bill passed the quantity imported had increased and the home product had also increased?

Mr. SHEARD. You are speaking of cotton hosiery, of which I do not profess to have any knowledge.

Mr. BRYAN. So that same principle would not stop knit goods?

Mr. SHEARD. I can not speak for anything that the facts do not bear out.

Mr. BRYAN. You think the tariff ought to be left higher on more expensive goods?

Mr. SHEARD. Yes, sir.

Mr. BRYAN. What quality of goods do you manufacture?

Mr. SHEARD. We manufacture goods which run generally from $6 up to $15 per dozen.

Mr. BRYAN. You manufacture the higher-priced goods?

Mr. SHEARD. Yes; of course you and the gentlemen will understand that our machinery and wool-knitting mills are fit to make all kinds of goods and we make such goods as the trade will take. Sometimes the trade require lower-priced goods, and we make such goods as we can sell, and of course we vary them according to the requirements of the trade.

Mr. BRYAN. You believe as a principle that the higher tariff ought to be placed upon the higher-priced goods which the rich wear?

Mr. SHEARD. Yes, sir.

Mr. BRYAN. You are willing to adhere to that principle, although you yourself are a manufacturer of high-priced goods, getting the benefit of that high tariff?

Mr. SHEARD. I do not manufacture all high-priced goods. Understand that I do not make full-fashion goods, but my goods are what we call cut goods, made for the masses of the people. We do not run down to the 50-cent shirt that is sold in the Bowery perhaps, nor do we run up as high as the $15 a pair which are sold in New York, but those we make and sell at $6.50 retail at 75 cents, and the goods we sell at $9 retail for $1, and those we sell at $9 retail at $12, and the highest priced goods I make are retailed, if the profit is in accordance with that of the manufactory, it ought to retail not higher than $1.50 per garment.

Mr. BRYAN. You say the average wages paid in the knit-goods factories amounts to over $400 a year?

Mr. SHEARD. From $400 to $450.

Mr. BRYAN. Does that include the salaries of the officers of the company, or simply what you call the labor?

Mr. SHEARD. Well, I am president of the company, but——

Mr. BRYAN. What I want to know is, in making up the average of wages paid by your company, do you include the salaries of all the officers of the company?

Mr. SHEARD. Yes, sir.

Mr. BRYAN. How much salary do you put in for your officers?

Mr. SHEARD. I get $1,500 a year.

Mr. BRYAN. Do any others get more than that?

Mr. SHEARD. No, sir. One of my partners, or stockholders, is my old superintendent, and he gets $1,500 a year.

Mr. BRYAN. And they run down to the lowest figure?

Mr. SHEARD. Yes, sir.

Mr. BRYAN. And the average is something over $400?

Mr. SHEARD. Yes, sir; I take my mill as a sample and use it as an illustration, and we compared the figures and endeavored to get at it in such a manner as we could prove it. As to the English trade, what I did not know, I have the last report made to both Houses of Parliament by command of Her Majesty, which gives in detail the amount paid for every article, time or piece work, and the average of wages according to that, taking and figuring it out, the amount of wages paid to men, women, and children employed, and that takes in a large number of children, and the average of that pay is £35 in England, in Notts and Leicester, £33 in the Scotch district where they make Scotch hosiery, and if you divided the two it is $170 average.

Mr. BRYAN. Have you ever compared the cost of making two pieces of goods in this country and in England?

Mr. SHEARD. No; you can not do so, you must compare results.

Mr. BRYAN. Have you compared the prices of any particular goods in this country and in England?

Mr. SHEARD. So far as I have purchased those goods in England from the retailer for my own use and investigation.

Mr. BRYAN. What do you find?

Mr. SHEARD. I find, and I have trave'ed over England, Germany, France, Scotland, and I have had my feet more or less upon every quarter of the globe, and more or less investigated this question for

myself individually, and my conclusion is that nowhere in the world can I get for value received better value received in knit underwear than in America. Now, permit me, please, to follow this; it is true up to the present time in England and in Germany a large proportion of shirts and drawers manufactured are made what you would call full-fashioned, if you understand the term.

Mr. BRYAN. No; I do not.

Mr. SHEARD. If you should drive through your district you might see a muskrat skin or a coon skin upon a barn door. You might not know what the skin of the animal was, but you could in your mind's eye put the skin over something and form an animal. A full-fashioned garment is so made that, when it comes to you, you can see it is made for a shirt, for you can see it forms two arms, and its general appearance indicates its character, and the seams are such that they seem to join together, not exactly as seams, but joints. Now, in this country we have improved our machinery. We joint that by machinery so wonderfully that I can not tell when I get the garment on that there is any pressure of seams or any sense of feeling whether I have a full-fashioned garment on or not; so, consequently——

Mr. BRYAN. I will not trespass upon the time by having you go further. I simply wanted an answer to that question—whether, taking the world over, the article is manufactured in this country and sold as cheaply as the same kind of article in England would be manufactured and sold anywhere in England?

Mr. SHEARD. I think as far as utility is concerned that is perfectly true; that is the result of my experience.

Mr. BRYAN. Notwithstanding the higher wages we pay, the article produced and sold to our people is as cheap as anywhere in the world?

Mr. SHEARD. Yes, sir.

Mr. BRYAN. Yet you think it is necessary to have a high tariff in order to protect us in the right to buy these cheap goods?

Mr. SHEARD. I only think it is necessary to have a high tariff or any measure of protection which shall guard us and protect us from the inequalities of manufacture.

Mr. PAYNE. When you speak of price you mean price at retail to the consumer?

Mr. SHEARD. Yes, sir.

Mr. PAYNE. The price from the manufacturer here is greater than it is in Europe from the manufacturer there?

Mr. SHEARD. Yes, sir. If I could take the goods offered by manufacturers there and the amount they offer without any cost of duty, and the cost of transportation would not exceed the cost from the mill, it is cheaper. I visited the mills and examined them, and they could be sold for very much less here than anything I could produce in the present goods I am manufacturing.

Mr. PAYNE. And the difference is the difference in wages largely?

Mr. SHEARD. Yes, sir; largely, and the cost of my mills, putting in my bricks, and the cost of my machinery, and the cost of interest, etc., which, with my capital, is necessary to continue in business.

HOSIERY.

(Paragraph 358.)

NEW YORK, *September 22, 1893.*

SIR: Regarding the proposed change in the tariff on hosiery and fabric gloves, we beg to suggest a straight specific duty on these goods as the simplest and most practical and the only way to prevent dishonest importers from undervaluing goods. It would protect the honest importer, also the American manufacturer, besides saving time and expense to the Government in examining the goods in the custom-house. We believe the following schedule would yield a proper revenue to the Government and afford ample protection to the domestic manufacturer: Fifty cents per dozen on all cotton and lisle-thread stockings, whether in cut goods or full fashioned; 75 cents per dozen on all silk-plaited stockings (this class of goods has never been made at all, or any attempt been made to produce same in this country); $1.50 per dozen on all spun-silk or pure-silk stockings; $1 per dozen on all woolen or part wool stockings; 35 cents per dozen on all cotton gloves, a class of goods never attempted to be made in this country; 50 cents per dozen on all pure silk or silk plaited gloves; 75 cents per dozen on all woolen or part wool gloves. The matter of any leather trimming on fabric gloves should make no difference in the duty whatever.

The tariff on stockings should have no connection whatever with that on underwear (shirts and drawers). They are a separate industry entirely and should pay a different duty from stockings. Owing to the recent financial stringency stocks of goods are not being moved with the usual rapidity. We therefore predict that heavy stocks will be carried over and beg to suggest that any change in the tariff, be made to go into effect not earlier than January 1, 1895, to enable merchants throughout the country to dispose of their goods without serious loss.

Respectfully yours,

TREADWELL & SEWARD.

HOSIERY.

(Paragraph 358.)

NEW BRITAIN, CONN., *September 19, 1893.*

SIR: The American Hosiery Company, of New Britain, Conn., which I represent, respectfully ask that in considering the question of a proper tariff on knit underwear and hosiery you will take into consideration the following facts relative to their particular branch of the business.

This company was established twenty-five years ago, and, beginning in a small way, has gradually grown until it now employs, when running full, about 1,000 hands. It manufactures underwear and hosiery from fine cotton, cotton and wool mixture (merino), worsted, silk, and mixtures of all these, and of every required weight from the lightest gauze to the heaviest for winter wear, for men, women, and children. Its specialty is full-fashioned goods, and it aims at a quality not surpassed by any in the world. At present it has an exhibit in Chicago in extent, variety, and general excellence comparing favorably, in the opinion of visitors, with any exhibit there.

HOSIERY.

Full-fashioned goods such as we produce are knit on complicated delicate and very expensive frames, which narrow and widen the fa in the process of manufacture, and so give it any required shape. T are then seamed or made up either by hand or on machines which tate hand work, taking up the selvage loops and thereby avoi objectionable seams and raw edges. All the machines used for fashioned goods are slow in their operation and difficult to keep in o and require skillful and experienced operators and the closest care attention. While the price of labor has steadily increased, that of t goods has declined, no advance having been made on account of McKinley tariff, and prices are now lower than before. It is obv that to produce goods to compete in excellence of fabric and finish the best foreign requires great painstaking in every detail of process, necessitating intelligent, fairly paid, and satisfied labor. it is well known that low wages and a low standard of living have vailed abroad in localities where the hosiery business has been car on, consequent perhaps on the fact that originally much of the l was performed by men as well as women at their homes, working hours, and though the factory system now prevails the hours of l continue to be many and the standard of living low. As a conseque in conducting our business we have to contend not merely with general low average of labor abroad, but with, as we think, excepti ally low wages, or such as amount, we think we may safely say, to about one-third of what must be paid here for the same work.

Full-fashioned goods, which might almost be classed among luxu are mainly used by the well-to-do (wealthy classes), able and, we d not willing to contribute their full proportion to the Government enue, and are therefore suited to a higher duty than the ordinary n of knit goods. The production of fine full-fashioned goods is, we th not only creditable to the manufacture but to the country, and, as Chicago Exposition proves, is a matter in which the general pu takes an interest and would willingly see encouraged. It has ta time and patience to even begin to overcome the prejudice in fav foreign underwear and hosiery, but there is, as it seems to us, no ficient reason why goods in all respects equal to any of foreign n should not be produced here.

With this in view our company has invested a large amount in very latest and best facilities for the successful prosecution of the iness, but it can not continue to be carried on without adequate tection such as shall enable it to meet foreign competition. Manu turers can no longer depend on the greater efficiency of labor in country, since common and technical schools have greatly multi abroad, resulting in an activity of brain and an increase of intellig and skill not easy to surpass. Besides, the desire of holding the kets of this country has stimulated foreign mechanics and inventc improvements and labor-saving devices as well as led to their sp adoption of those originating here, which with cheaper labor are i diately turned against us. Consumption of full-fashioned goods l limited in amount and not so dependent on price as that of ord goods, it is a question whether a greater revenue would not acc the Government from a rate of duty sufficiently high to allow of production here than from a lower rate on the probably compara small increased importation which would follow the withdraw domestic competition. At least the difference in labor abroad and must be made up by the duty. Already the margin of profit in

quence of foreign competition is so small that any reduction from the present rate would cause it to substantially disappear.

In Chemnitz the earnings of the best knitters on the cotton patent frames, the best frames for our goods and such as we use, are per week of sixty-six hours from 23 to 24 marks, amounting, for a week of sixty hours, to $5.46, while the average knitter's earnings for the same time is not more than 18 marks, or $4.20, and females in the same business not more than $2.10 per week of sixty hours. For the same work, our company now pays its men $12.54 per week of sixty hours and its female employés $6.08. We think it may be safely said that the average price abroad in our business is not more than one-third what must be paid here for competent hands. That we are not paying extravagantly for this particular work will appear from the fact that while these knitters are all men working at their trade, their average weekly wages are but $2.04 more than the average of all the men and boys together in the mill, which is $10.50, and the average weekly wages paid for this kind of female labor is only about 50 cents per week higher than that for the whole mill, which is $6.

What we ask, therefore, is that the present, or its full equivalent, protection may be continued on these full fashioned goods, which we think they well deserve and can not do without, and that regard be had to the greater necessary investment in machinery and the greater proportionate cost of labor, calling for a correspondingly higher duty than on the goods produced in the ordinary and less expensive way.

AMERICAN HOSIERY CO.,
JOHN B. TALCOTT,
Treasurer.

HOSIERY.

(Paragraph 358.)

NEW YORK, *September 18, 1893.*

SIR: Hosiery mills have been established in nearly all the States of the South, and in proportion to the capital invested they are employing a larger number of operatives than any other branch of southern industry. As the manager of a large spinning interest and handling the production of several cotton yarn mills; manufacturing yarns adapted to the wants of southern knitters, I can say that I am familiar, through years of correspondence, with their wants, and also with the character and prices of their products, as well as the measure of success which has attended investments in this direction. In addition to the information thus acquired, I can speak for this interest by reason of direct connection with the Macon Knitting Company, located at Macon, Ga., and which is by far the largest and most important hosiery plant in the Southern States.

By reason of the inexperience of our people, the manufacture of hosiery has not, as a rule, proven successful or profitable to the projectors of our mills. This inexperience in both management and labor has resulted in losses in many instances of most or all of our original investments, necessitating reorganization through the employment of new capital to utilize plants and skill acquired by costly experience. This tuition of failure has not been paid in every case, but from observation and experience I will venture the confident opinion that the

success of an original enterprise has proven an exception to the general rule.

Recent years have shown a steady increase in the number of our mills as well as a gratifying improvement in the character of the goods produced. For information with reference to the first point I respectfully refer you to the statistics already on file with your committee. The dry-goods jobbing trade of the country at large will confirm the truth of the second statement.

Investigation will prove to you that a very large percentage of the operatives employed in Southern hosiery mills are women and children, who find in these mills light, steady, and profitable work, which they could not obtain in many communities prior to the introduction of this industry, and of which they will be deprived if from any cause the mills are closed. Neither the wages paid to these women and children, nor the prices of the goods they produce, nor the profits accruing to owners, are such as to warrant the criticism that either is excessive, or that either or all entail an unnecessary or unreasonable tax upon consumers. It is true that the female mill operatives are paid two, three and four times the wages paid to able-bodied farm laborers, but this is not because the mill operatives are paid too much, but it is due rather to the fact that, under conditions prevailing in the agricultural States of the South, farm labor is forced to accept the lowest compensation of any labor in the country. The hosiery mills employ men of course. If such are sent to the farms for employment and subsistence this would result in still further competition for farm employment; in decreasing the demand for farm products and in an increase in the marketable surplus from our farms. Our women and children are not adapted to farm work and must remain idle or find employment elsewhere. With all the avenues for employment we have so far opened to them, many are suffering from enforced idleness, and we are powerless to provide such with further means of support in our mills, full of help while we are running, but in many cases shut down at present. If they are forced to go upon farms in order to exist, their misfortune can be measured only by the increasing distress of our present over-producing agriculture.

The prices at which the knit products of Southern mills are selling indicate the best values known to distributors and consumers, in the history of our country's markets for manufactures. Upon the question of profits to mill owners, I have already indicated what our experience has been. This feature of the case has been dealt with in a general way. In order, however, that the opinion expressed may be tested by the facts of personal experience, and to cover what I conceive to be an important omission in the testimony so far submitted to your committee, touching the profits derived from the manufacture of hosiery, I beg to submit the following statement with reference to the Macon Knitting Company, of which I am the president, and which, as I have already stated, is the largest hosiery mill in the Southern States.

It has been in existence over ten years. Until 1889 or 1890 (I write away from home and can not be exact as to dates), its capital all paid in was $36,000. At this date its capital was increased to $100,000. The entire dividends paid to the shareholders up to the time its capital was increased from $36,000 to $100,000 was $3,600, or 10 per cent up on its capital stock, for a period of six or seven years, which was about 1½ per cent per annum. Its gross earnings, from the time it was reorganized up to January, 1893, were less than $4,000. It is fair to say that since reorganization its operations were restricted for something over

one year by the building and equipment of a new mill, which was filled with what we decided, after patient and persistent investigation, was the best machinery of its class in the world. This machinery was not only of a high order in construction, but was complicated and expensive by reason of its automatic features, which were covered by patents purchased at heavy cost. With all the saving in labor which we have been able to make in the knitting department by the use of machines requiring but little labor and attention and producing almost perfect work, the expenses in all the details of finishing have been such that we have not been able, except with the utmost difficulty, to market the goods produced, in competition with the hand-made goods of Germany and other foreign countries. It may interest you to know that when these goods were first placed upon the market they readily commanded $2 per dozen, less 6 per cent, while for nearly a year past we have not asked for them more than $1.50 per dozen, less 6 per cent. These prices to the wholesale trade. If it is suggested that bad management of the enterprise has been the cause of failure to make profits, or if doubt with reference to this statement is entertained, it will afford the company pleasure to have the plant and management investigated by your committee, or a representative from it, and to subject its books to your inspection, in order that you may verify or refute what I have said. The capital of $100,000 on January 1 last, was increased at that time to $125,000. By reason of the requirements of the business, the mill from which the knitting company obtains its supply of yarns, which is also under the writer's management and is largely interested in the knitting company, is carrying it for over $100,000, and has steadily carried this amount for more than two years. We have more experience now than three years ago, and if present prices for goods are maintained there is a reasonable prospect for fair business in the future. If from any cause we are compelled to lower the prices of our goods without lowering the cost of production our investment in plant will be practically valueless. Cotton is low; as low, we hope, as it will ever be. Our labor is cheap enough, but with the price of raw material and other supplies beyond our control the cost of labor is the only flexible item in our cost, and the only one we can reduce. We are employing nearly a quarter of a million of dollars in capital and over 250 men, women, and children in this mill.

I omitted in its proper connection to state that in the early part of last year we decided to add to our line the production of a coarser grade of goods, adapted especially to the wants of laboring men. At present we are making these goods largely, and all that I have said with reference to the machines upon which ladies' wear is produced, in the way of economy of production, low cost, and small profits in manufacturing, is more than true with reference to this class of goods.

I may say, with propriety, I trust, that while I sincerely accord you the same devotion to the country's best interests that I claim for myself, our views are in conflict. I am convinced from the history of former experiments under the policy you now propose to reinaugurate that this policy will always hereafter as always heretofore end in general disaster.

Respectfully yours,

J. F. HANSON.

HOSIERY.

(Paragraph 353.)

LOWELL, MASS., *September 20, 1893.*

Previous to the introduction of this stocking, the best stocking for men that could be bought at retail for 25 cents was an imported stocking that, from the nature of its construction, was most uncomfortable to the wearer and noted for its seams and lumps which came constantly in contact with those parts of the foot that need smooth and well-fitting coverings. By the introduction of the Shawknit stocking, which, it has been truthfully said, revolutionized the hosiery business of the world, it has been made possible for men of all classes to buy perfect-fitting and most comfortable foot wear for 25 cents or less a pair. It has always been the policy of the Shaw Stocking Company to make an article that, from its intrinsic worth to the wearer, would be superior to the products of any other maker and thereby raise the standard of American products. Since the advent of the Shawknit stocking numerous plants have been erected for the production of circular-made stockings, and the growth of this industry has been marvelous. Not only as knitters, but also as dyers of black hosiery has the Shaw Stocking Company achieved success. It was the first concern in the world to put a stainless stocking on the market and guarantee its color to be fast and clean; furthermore, no foreign black stocking has been sold in this market that was stainless and fast in color before the snow-black Shawknit half hose were advertised over the guaranty of the manufacturers. As pioneers in the stocking industry, the influence of the Shaw Stocking Company has been felt and their fame gone abroad, and to-day the Shaw stocking loom is in use in England.

Had it not been for a protective tariff it would have been impossible for this company and many others producing circular-made goods to make the progress they have made, and I believe the people of this country would still be using the imported stockings with all their seams and bunches and be paying for them twice to three times the price for which such goods can now be had. The industry with which I am connected is purely American, the inventor of the machine and stocking was an American, and to the largest extent possible the materials of which the stocking is made are American. For the general interest and protection of this industry in America, not in Germany, I wish to protest against any reduction in tariff on stockings.

Respectfully yours, GEO. L. HOOPER,
Manager Shaw Stocking Company, Lowell, Mass.

THE TARIFF ON HOSIERY AND KNIT GOODS.

(Paragraph 353.)

NEW YORK, *June 10, 1893.*

SIR: It is generally admitted that the rates of duty will again be revised. It is desirable that the duty on hosiery should be simplified as well as reduced.

There was a peace tariff, and again there was a war tariff, and now there exists a McKinley tariff. Double the peace tariff and you have the war tariff; double the war tariff and you have the McKinley tariff.

If we accept the normal rate of ante-war times, say 17½ per cent, and add 50 per cent, we have an ad valorem rate of 25 per cent, with which it is probable most of those interested would be satisfied. War rates should terminate after twenty-nine years of peace. The exemption of wool and other materials of manufacture from duty makes it possible to put all textiles, whether cotton, wool, or silk, on the same basis.

The use of microscopes, counting of threads and stitches, chemical analysis in the assessment and collection of duty, and such minutiæ are hardly within the proper functions of a great government.

The law should not oppress or take away the rights of the citizen. An importer should not be compelled to pay duty on goods which never came into the United States. It is hardly credible, but such is the law to-day. Duty is frequently paid on goods which were stolen or missing at the port of departure.

Undervaluation is increased by high rates and by complexity incidental to compound rates. Under the present law the calculations are so involved that one invoice will occupy the time of an expert for hours in making up the amount of duty assessable.

It is to be hoped that the next revision of the tariff will have some degree of permanency.

The cost of making the great bulk of hosiery manufactured in the United States does not average above 25 cents per dozen pairs.

If a specific rate is agreed upon the average cost of making the goods ought to be sufficient protection.

Yours respectfully,

THOMAS FIELD.

BALBRIGGAN.

(Paragraph 853.)

The production of light-weight gauze, balbriggan, and fancy underwear (shirts and drawers) in this country has been largely a development of the last twelve years. At first only the cheaper grades of goods were made, but as the few manufacturers of this product gained experience the standard of manufacture was steadily raised, until to-day the three large corporations making the greatest quantity of fine underwear turn out a product that will compare favorably in every respect with the importations from Troyes, in France; Chemnitz, in Germany, and Nottingham, in England. During the same period that the quality of goods manufactured in this country has been so improved the price to the consumer has been steadily decreasing, so that to-day the large manufacturers of this product are selling a superior article for the same, and in some cases less, money than they received for an inferior article five years ago. These goods being the lightest weight underwear made, contain of necessity a small proportion of raw material and a large proportion of labor. Generally speaking, the elements of cost in fine underwear are as follows:

	Per cent.
Raw material	15
Labor	55
Various items of trimmings: braids, bindings, silk, buttons, etc.	15
General expense: taxes, insurance, etc.	15

By labor as here used is meant the pay-roll labor, the day and job labor, so called. A comparison of the average wages of this industry in America and Europe shows as follows:

	America.	Europe.
Cuff knitters	$15 to $18	$6.00 to $8.00
Body knitters	6 to 8	2.50 to 4.00
Stitchers	6 to 8	2.50 to 4.00
Finishers	7 to 9	3.00 to 4.50

Only through a tariff is this difference possible.

In addition to the increased cost of labor in this country we pay more for taxes and interest in the item of general expense, more for braid, binding, and buttons in the item of trimmings, and more for our machinery and plant.

The desire and purpose has been to continue year by year adding finer grades requiring greater proportionate employment and cost of labor, without adding more of raw material, the weight of the underwear to remain the same or be lighter in weight than as now produced.

For these considerations we ask first, tariff protection; secondly, a law that in its classification can be easily understood, and one that can be administered without loophole for undervaluation.

Finally, we ask for speedy action as to the details of changes in the tariff, if any, and if changes are made that no change shall be operative till January 1, 1895.

Respectfully submitted.

BOSTON MANUFACTURING CO.,
By A. M. GOODALE,
Resident Agent.

And others.

BOSTON, *September 19, 1893.*

KNIT UNDERWEAR.

(Paragraph 358.)

WATERFORD, N. Y., *September 14, 1893.*

SIR: This is practically a new industry with which to employ a great number of people, and any change in the tariff at this time, however slight, would paralyze the coming year's business, and with a small reduction the foreign manufacturer would drive us out of business.

The whole question is one of labor, as between our people who have, by their brains and perseverance, got the standard of wages where they can live comfortably and in great contrast to the half-starved laboring class of foreign countries.

The goods we make and sell for about $4 a dozen means $4 per dozen distributed among our people, as everything we put into a shirt we produce, starting from the planting of the cotton to the final selling of the shirt over the counter to the consumer. We have such keen competition among ourselves that you can not find any one connected with any part of the producing of the stock and manufacture of the goods making any more than a fair living profit, and only that by the strictest attention to business.

I understand the foreign manufacturer will sell you a shirt as good as our $4 shirt for about $2.25. Add the present duty, $1 per dozen specific and 35 per cent ad valorem, and it will bring the price up to $4.04. The difference is a mighty small margin to work on.

It seems to me that it would be a great injustice to the American manufacturer and American labor to lower the duty now imposed on cotton balbriggan underwear.

Yours truly,

C. H. KAVANAUGH.

WEBBING.

(Paragraph 354.)

MONDAY, *September 18, 1893.*

STATEMENT OF MR. G. W. GREEN, JR., OF EASTHAMPTON, MASS.

Mr. CHAIRMAN: We represent articles in the tariff act of 1890 under Schedule I, paragraph 354; Schedule K, paragraph 398; Schedule L, paragraph 412, in the cotton, silk, and worsted schedules. Those articles are mentioned in each one of those paragraphs.

Mr. DALZELL. The rate is 40 per cent ad valorem.

Mr. GREEN. In cotton the rate is 40 per cent ad valorem for a certain number of articles, and there is 35 per cent upon the others mentioned in that paragraph.

The CHAIRMAN. What are the rates under the different paragraphs?

Mr. GREEN. Schedule I is 35 per cent, and in silk the rate is 5 per cent. On worsted the rate is 60 per cent. On worsted it does not amount to very much. Taking the entire line of goods, there is very little change.

The CHAIRMAN. You come under paragraph 354?

Mr. GREEN. Yes, sir; that is webbing. This general schedule is not of very much importance and we have but little to say about it, except that the industry has been built up during the last thirty or thirty-five years under protective rates and has grown to very large proportions under that system. We have had some experience under the tariff at different times with the idea that the price of webbings would be reduced to the consumer, and we have found in each of those instances that foreign manufacturers simply advanced the price to meet the difference and the consumer paid about the same. We come here to say simply that we feel as if the protection which we have had has been the means of establishing the industry and we would like to have it sustained. If you are going in to deal with any particular paragraph we should say that in the cotton schedule it would be better to have the general rate the same as in silk and worsted, instead of having two rates.

Paragraph 354 is susceptible of the same application on account of the different articles in different sections of the paragraph. There has been a great question about the meaning of a semicolon. In various bills the amounts have been named on the articles 35 per cent or 40 per cent. In this case it is divided and part pay 35 per cent and others pay 40 per cent ad valorem.

The CHAIRMAN. Are not woolens as high as silks or cottons?

Mr. GREEN. They were incorporated in the wool paragraph and *based on* custom that had prevailed a great many years.

Mr. PAYNE. There is a compensatory duty on the wool used in the articles?

Mr. GREEN. There is a compensatory duty on the wool—raw wools and others. There was an increase in cotton of 5 per cent, and in silk and woolens.

Mr. PAYNE. In the last three years has there been any increase in the price of cotton goods of that description to the consumer?

Mr. GREEN. No, sir; there has not been, except in the ordinary market for yarns it would be a little higher. That made no perceptible difference in the price to the consumer.

Mr. PAYNE. Have importations been as great in the last few years as formerly?

Mr. GREEN. I should think the importations of narrow fabrics have not been so large.

BRAID.

(Paragraphs 196, 215, 354, 373, 391).

SATURDAY, *September 16, 1893.*

STATEMENT OF MR. HENRY W. SCHLOSS, PRESIDENT OF THE BRAID MANUFACTURERS' ASSOCIATION, NEW YORK.

MR. CHAIRMAN: As a committee of the Braid Manufacturers' Association of the United States, we appear before you as representatives of an important American industry. We appeared before the committee of the Fifty-first Congress under different conditions. We had, previous to this time, no organization, and our industry had therefore been neglected. We were subject to unjust discrimination. We therefore obtained, for the first time in the history of our business, just recognition. In order that you may fully comprehend the nature of our business, and the effect of the tariff thereon, we would invite your attention to the fact that it is affected by no less than seven schedules of the tariff act. It must be apparent to you how this fact makes it possible for an injustice to be done us inadvertently through some slight error or omission.

Mixed or fancy braids are manufactured from a commingling of different materials, such as cotton, silk, wool, linen, and metal. It is a perfectly staple industry, owing to the fact that its product is used for so many purposes. The recognition obtained in 1890 was by no means exorbitant or prohibitory. This is amply shown by the fact that braids continue to be imported in large quantities in spite of the present tariff.

SCHEDULE C.

Miscellaneous metals and manufacturers of gold and silver.

Paragraph No. 196: Bullions and metal thread of gold, silver, or other metals, not specially provided for in this act, thirty per centum ad valorem.

Paragraph No. 215: Manufacturers' articles, or wares, not specially enumerated or provided for in this act, composed wholly or in part of iron, steel, lead, copper, nickel, pewter, zinc, gold, silver, platinum, aluminum, or any other metal, and whether partly or wholly manufactured, forty-five per centum ad valorem.

SCHEDULE I.

No. 354: Cotton cords, braids, boot, shoe, and corset lacings, thirty-five cents per pound; cotton, gimps, galloons, webbing, goring, suspenders, and braces, any of

duty than forty per centum ad valorem.

SCHEDULE J.

No. 373: Laces, edgings, embroideries, insertings, neck ruffings, ruchings, trimmings, tuckings, lace window curtains, and other similar tambour ed articles and articles embroidered by hand or machinery, embroidered and hemstitched handkerchiefs, and articles made wholly or in part of lace, ruffings, tuckings, or ruchings, all of the above named articles, composed of flax, jute, cotton, or other vegetable fiber, or of which these substances, or either of them, or a mixture of any of them, is the component material of chief value, not specially provided for in this act, sixty per centum ad valorem: *Provided*, That articles of wearing apparel and textile fabrics, when embroidered by hand or machinery, and whether specially or otherwise provided for in this act, shall not pay a less rate of duty than that fixed by the respective paragraphs and schedules of this act upon embroideries of the materials of which they are respectively composed.

SCHEDULE K.

No. 391: On woolen and worsted yarns made wholly or in part of wool, worsted, the hair of the camel, goat, alpaca, or other animals, valued at not more than thirty cents per pound, the duty per pound shall be two and one-half times the duty imposed by this act on a pound of unwashed wool of the first class, and in addition thereto thirty-five per centum ad valorem; valued at more than thirty cents and not more than forty cents per pound, the duty per pound shall be three times the duty imposed by this act on a pound of unwashed wool of the first class, and in addition thereto, thirty-five per centum ad valorem; valued at more than forty cents per pound, the duty per pound shall be three and one-half times the duty imposed by this act on a pound of unwashed wool of the first class, and in addition thereto, forty per centum ad valorem.

No. 398. On webbings, gorings, suspenders, braces, beltings, bindings, braids, galloons, fringes, gimps, cords, cords and tassels, dress trimmings, laces and embroideries, head nets, buttons, or barrel buttons, or buttons of other forms, for tassels or ornaments, wrought by hand or braided by machinery, any of the foregoing which are elastic or non-elastic, made of wool, worsted, the hair of the camel, goat, alpaca, or other animals, or of which wool, worsted, the hair of the camel, goat, alpaca, or other animals is a component material, the duty shall be sixty cents per pound and in addition thereto, sixty per centum ad valorem.

SCHEDULE L.

No. 412. Webbings, gorings, suspenders, braces, beltings, bindings, braids, galloons, fringes, cords and tassels, any of the foregoing which are elastic or non-elastic, buttons, and ornaments, made of silk, or of which silk is the component material of chief value, fifty per centum ad valorem.

No. 413. Laces, and embroideries, handkerchiefs, neck ruffings and ruchings, clothing ready-made, and articles of wearing apparel of every description, including knit goods, made up or manufactured wholly or in part by the tailor, seamstress, or manufacturer, composed of silk, or of which silk is the component material of chief value not specially provided for in this act, sixty per centum ad valorem: *Provided*, That all such clothing ready-made and articles of wearing apparel, when composed in part of India rubber (not including gloves or elastic articles that are specially provided for in this act), shall be subject to a duty of eight cents per ounce, and in addition thereto, sixty per centum ad valorem.

In Schedule C there is a difference of 15 per cent in the rates of the material used, which is metal thread and the braid product. In schedule I and J, the difference in the rates of the cotton and flax yarns and the cotton and flax braids is infinitesimal. In Schedule K the difference between yarn and braid is about 25 per cent. In schedule L silk yarns pay 30 per cent ad valorem, and spun silk yarns 35 per cent ad valorem, whereas the braids pay 50 per cent ad valorem, a difference of only 15 per cent. These figures show that the average protection enjoyed by our industry to-day, is not excessive, in view of the great and well-known difference between the wages paid here and those

ruling in Barmen and St. Chamond, two braid districts that are notorious for the low wages paid to the work people. Our business is a very complex one, needing for its productions the services of a very complicated and expensive high-class machinery, the best of which is manufactured abroad and subject to a 45 per cent duty. The nature of our business requires a greater number of skilled help in proportion to the value of the product turned out than any other kindred industry. We wish to call your special attention to the fact that in all tariff acts a difference has been accorded us in the rate granted above that given to manufacturers of textile fabrics. This is just and reasonable, as the braid machine is very different to the loom. A braid machine is capable of making only a single width and in order to produce a variety of widths, it requires as many machines as there are widths needed. The produce of a single machine is very small, about 72 yards a day, and can not be increased. While a ribbon loom may turn out an article similar in appearance, 500 or 600 yards in a day, a braiding machine will turn out only 72 yards. Our industry has been established in this country about thirty years. It exists at present in about ten different states; a large amount of capital is invested and gives employment to a great many people. We are simply here to represent our case without expectation of any favoritism. If the duties are reduced on our materials, we will cheerfully submit to a proportionate reduction. Beyond this we emphatically and, as we believe, justly protest; as such reduction will render it impossible for us to continue our business in this country and give employment to our people.

Now I have samples here of different braids which we manufacture, and which I would like to submit and explain to you gentlemen. These are the different qualities we are making and materials used in the manufacture of these goods.

This is raw silk [exhibiting] which comes into this country free of duty, and this is the spun silk, that is, thrown silk, which pays a duty of 30 per cent ad valorem, and this is the braid that is manufactured from the raw stock after it is thrown into thread and made into the braid. This is what we do with it, this is our finished product.

Mr. PAYNE. What is the duty on that?

Mr. SCHLOSS. Fifty per cent ad valorem.

Mr. PAYNE. It comes under the general silk clause?

Mr. SCHLOSS. Yes, sir; under the general section giving the details. This is the same thing in black. This is the raw wool that is used and put into the yarn. We are not spinners and we are obliged to buy yarn from the spinner. They, I believe, have a protection, and we take that and put it into braid. There is a sample of the finished article which we make out of the spun yarn. That is mohair which is not raised in this country.

The CHAIRMAN. Where do you get your wool from?

Mr. SCHLOSS. We buy our yarn from the spinner and they are obliged to import it from Europe, Australian wool, etc., and the Angora goat. This is a very long staple and I have a sample, if the committee wishes to see it.

Mr. PAYNE. Is that goat's hair?

Mr. SCHLOSS. Yes, sir; that is goat hair. I believe they mix it up with American wool and manipulate it for our purpose. This is another sample of braid we make. All these are samples which gives you a little idea of the class of goods we manufacture. It is quite varied. We use silk, cotton, and mohair in the construction of these.

Mr. PAYNE. How do prices since 1890 compare with previous prices?

Mr. SCHLOSS. I would like to explain that. In 1883 when the association was not represented before they changed the tariff, and the construction of the tariff at that time was such that it gave us no protection at all and we could not compete with the importer, and the importer at that time had all the business.

Mr. PAYNE. What did you do, shut up?

Mr. SCHLOSS. We had to sell to the retail trade and do a retail business. We were obliged to wait for the demand to go up. Our machines are so constructed they will only make a certain width as I mentioned before, and there are different series selling at different times. We ran all the way from two lines up to thirty-six lines, you may say, and there are times when four lines sells, and another time ten lines sells as fashions change, and by being here, if we can wait until fashion favors us, we can make profit to keep us going. We manufactured and kept going about seven years without making much headway, none at all you might say, and the importers did all the business. But since 1890 we could buy our yarns here which we never could before 1890. There is a very large spinner up in Maine who is making these mohair yarns so that we can buy our yarns at a little less than we can import. We can buy them cheaper to-day and we are selling our goods cheaper than in 1890 with a better profit to the manufacturer.

Mr. GEAR. You make more of them?

Mr. SCHLOSS. Yes, sir.

Mr. PAYNE. Has there been any increase in the manufacturing business?

Mr. SCHLOSS. Since 1890, yes, sir; we have increased I should think over one-third.

Mr. PAYNE. Have importations kept up?

Mr. SCHLOSS. They were not quite as heavy, but they are still importing under the present tariff.

Mr. PAYNE. Does the Government get as much revenue?

Mr. SCHLOSS. I do not think so.

Mr. BURROWS. What has been the effect on your prices?

Mr. SCHLOSS. Our prices are lower to-day than they were before 1890, and my experience has been that even with the high tariff, the competition among the domestic people will warrant the prices to be reduced, providing we could buy our raw material from which we manufacture our goods at a lower rate.

Mr. BURROWS. Do you anticipate, if the present duty is continued, that the prices will still further decline?

Mr. SCHLOSS. Well, it depends a great deal upon the raw article we buy. At the present, mohair is scarcer and prices in some cases on the other side have advanced 100 per cent, but we are selling our goods about the same price as 12 months ago; there is very little change. Here we have an article, and this article comes in free of duty under the present bill. This pays 30 per cent. This is the thread that is made out of this. I believe some is made in this country, but it was never made until this went on the free list. I have the manufactured article that we make from the thread (exhibiting tinsel braid). That has only a protection of 15 per cent. It is manufactured for a fancy article which only sells in so many years, and on an average of about four years we get a demand for that article and sometimes handle and carry a very large quantity of the raw material. Now, a short time ago this article of thread was as high as $6 a kilo of 35 ounces, and

people will not buy it at a dollar, and we have only 15 per cent protection on this. This is a fancy article.

Mr. PAYNE. How much capital is invested in this industry in the country?

Mr. SCHLOSS. I should think there is about—we have not got the figures exactly, but I should judge it to be $5,000,000 or $6,000,000.

Mr. PAYNE. How many hands do you employ?

Mr. SCHLOSS. We employ 500 ourselves, that is the Castle Braid Company and the Sutro Braid Company employ, I think, 200.

Mr. PAYNE. How many factories are there?

Mr. SCHLOSS. There must be fifty at least scattered in ten different States. Then there is another article which is manufactured quite largely in this country and that is buttons out of our materials.

Mr. PAYNE. Made from your braid?

Mr. SCHLOSS. Yes, sir; these buttons are made from our material, our braid. That button is made out of this braid (exhibiting).

Mr. PAYNE. These are buttons used generally on coats?

Mr. SCHLOSS. Yes, sir; these are gentlemen's coat buttons and these are used for ladies' jackets, dresses, etc. There is a braid we manufacture out of the yarn and put into the button. Now, there is a section that if these goods are brought in for the button people they only pay 10 per cent duty. Now, if we import braid, we have to pay the regular rate of duty. They are also bringing piece goods, cloths 36 inches wide, and if it is stamped out so many inches it can be brought in at 10 per cent duty. These button people can bring in that with 10 per cent, and we have to compete with those people as we make these braids and pay regular rates, and it takes so much money out of the country which would otherwise be employed by the domestic people manufacturing a product——

Mr. GEAR. You do not make buttons?

Mr. SCHLOSS. Yes, sir; we make the materials and also the button. These are made in the factories here. We make the braids and the parts for buttons and finish them in this way, but the button people can import this braid for 10 per cent if it is cut 10 inches; but if it is cut 144 yards it pays 50 per cent duty. So they have something which nobody has; that is the only industry, I guess, in the country that has that advantage over all the others.

Mr. GEAR. Do you do your own dyeing?

Mr. SCHLOSS. No, sir; we have so many different materials, but we had a dye house and found out it was to our advantage to have it done outside. We have our cotton dyed in the East, and our mohair we have dyed in Brooklyn partly and partly in New York City. The silk colors are dyed in Brooklyn, and our blacks are dyed in Paterson, N. J., so we have five different dyers we employ outside of our own. We could send you samples of these stuffs if you think it is necessary. Mr. Chairman, I would like to inquire whether it is necessary for us to leave samples of our manufacture here so that you could have them before you in case you should require it.

The CHAIRMAN. Just as you prefer about that. You can leave that.

Mr. SCHLOSS. I could make up a little line and send it over to you.

The CHAIRMAN. Probably that would be better, send it to the clerk of the committee and he will return it to you when the committee is through.

Mr. SCHLOSS. Is there any other question you gentlemen wish to ask?

The CHAIRMAN. You have made your statement pretty fully in your paper.

Mr. SCHLOSS. I have. I have a letter from Mr. Alexander Kursheedt, of New York, sent to our committee, also by a manufacturing business representing other manufactures in the kindred industries which I could submit.

The CHAIRMAN. Just submit them to the reporter and they will be incorporated along with your statement.

Mr. SCHLOSS. Very well, then; I am much obliged to you gentlemen.

LACES, ETC.

Statement of Alexander E. Kursheedt.

Of all the imperfect and inoperative laws which exist on the statute books of our country, the one known as the tariff act takes precedence. The statistics published from time to time which are to enlighten the public in regard to the revenue from this source, are necessarily faulty, as they give no statement of the amounts refunded, owing to the imperfections in the law, and the impossibility of collecting the correct amount of duties when goods are imported.

In the framing of successive tariff acts, no regard whatever appears to have been paid to the recognized decisions of the courts, and the same carelessness in phraseology and punctuation abound, so that the palpable intention of the legislators has often been defeated. While an act is in force no timely attempt has ever been made to correct an error, and it is a notorious fact that those blunders during the past ten years have cost the Government millions of dollars, which has fallen into the hands of greedy speculators or cunning attorneys.

It is confidently expected that the new law, while correcting most of the errors which have enabled such parties to reap a profitable harvest, will be replete with equal blunders that will quickly be seized upon to diminish the expected revenue.

Each one for himself is the motto of most of those who seek the ear of your committee to urge special consideration. No one cares what unfairness is done to some other interest. It is to be expected that you will hear from only a fraction of the many thousand separate industries which exist in our country; the rest will accept the situation because they can not help themselves.

Before the ink was scarcely dry on the act of 1883 and it had gone into operation, everybody interested, both here and abroad, knew that the omission of a phrase which appeared to be an intentional error of an engrossing clerk would cost the revenue millions of dollars and make endless business for our overcrowded courts and disturb and unsettle the affairs of a great many of our citizens; yet it was only a few months before the act of 1890 was passed that this mistake was corrected. It was a case of locking the stable after the animal had escaped.

While the act of 1890 was being discussed in Congress the circuit court decided that nets were not laces, and yet the act of 1890 was passed, the legislators assuming that nets as formerly would be classified as laces. The board of general appraisers at first respected the decision of the court, but when it found that this decision meant a loss of millions of dollars to the revenue, it reversed its ruling. In this single instance over fifty thousand appeals were taken and the matter again brought to the court, which sustained its previous decision, as everybody familiar with the decisions of the Supreme Court knew it must.

A comma instead of a semicolon in paragraph 398 will cost the Government a very large amount of money, as none of the articles enumerated in that paragraph will pay the prescribed rate except two, one of which has long since ceased to be a commodity, and is neither imported nor made in this country. It would have been better to have omitted this obsolete paragraph.

I do not wish to extend this statement to mention the many errors, inconsistencies, anomalies, absurdities, irregularities, and inequalities with which the present act abounds. Its authors can not be held responsible for such errors, as they were not furnished with the requisite data wherewith to correct the inaccuracies in previous legislation. Your honorable committee, proceeding in similar way, may expect to arrive at a like result.

You will doubtless be led to incorporate sec. 5 without considering the fact that the Supreme Court has always held such a section to be inoperative, as the basket clauses are held to enumerate so that similitude can never be applied.

One hundred collectors at the different ports will vie with each other in misinterpreting the new law, and the decisions of the Board of General Appraisers may prolong the agony so as to increase the amount of refunds. Let us have first of all an intelligent tariff act that the manufacturer and importer can understand. I will close with *two illustrations* of how the Fifty-first Congress failed to execute its own purpose. It was decided to give a slight protection to cotton laces which had never

made in this country, so having provided for the material (cotton yarn) at 50 per cent ad valorem it rated the laces at 60 per cent ad valorem under paragraph 373. This insufficiency of 10 per cent has not resulted in the production of a single yard of lace. But this is not relevant to the matter to which I wish to call your attention. It was conceded that 60 per cent would be useless and excessive if lace articles could be admitted at a less rate, so the words were added making articles made of lace pay the same rate, 60 per cent ad valorem. Under the new law, aprons trimmed with lace were imported and promptly classified by the collector as articles made of lace under paragraph 373. The importer appealed, claiming that same were wearing apparel under paragraph 349, at 50 per cent ad valorem. The Board of General Appraisers sustained the collector and so did the circuit court. The case was carried to the circuit court of appeals, who reversed the decision of the court below, holding that wearing apparel is a more specific term than articles made of lace, so that a lace apron must be classified under the former and the intention of Congress was ignored.

The other case I wish to refer to is the monstrous and irreconcilable protection given to cloth buttons, which I do not believe six members of Congress voted for intelligently. Under paragraph 428, material for buttons pays only 10 per cent ad valorem, and so woolen cloth that otherwise pays 49 cents a pound and 50 per cent ad valorem, or about 75 per cent ad valorem, when imported by anybody but a button-manufacturer, pays only 10 per cent protection, the difference between paragraph 392 and 396; but the button-maker obtains a difference of from 60 to 70 per cent, and he not only secures a monopoly against foreign button-makers, but against American as well, who might try to compete making buttons of American cloths.

I respectively recommend your honerable committee to first expunge all inequalities, then fix the rates under each and every schedule so as not to obstruct or hinder the development of advanced manufactures. Give our people a chance to become at least artist manufacturers, as abroad, so that the word "home-made" will not mean trash, but the best that human taste and skill can design and create.

SCHEDULE J.

FLAX, JUTE AND HEMP.

[redacted]

HEMP AND JUTE.

(Schedule J.)

FRIDAY, *September 8, 1893.*

STATEMENT OF MR. JOHN E. STEVENS, OF LUDLOW, MASS., REPRESENTING THE LUDLOW MANUFACTURING COMPANY.

Mr. CHAIRMAN: I shall be very brief, and will not inflict myself upon you for more than a few moments. I am representing the Ludlow Manufacturing Company and the Ludlow Cordage Company, of Ludlow, Mass. They are identical in management, except as to the treasurer, so I shall speak of them as one.

I am the manufacturing agent of the company, and so I shall speak from the standpoint of a practical manufacturer. I will state in the next place something which you do not know, but which you ought to know, and that is that we have no connection in any shape or form with any combination or ring, either directly or indirectly, expressed or implied. We are simply managing our own business as well as we know how. Of course we recognize the necessity of the revision of the tariff, and if there are any articles which we manufacture which can be reduced we shall frankly say so. We are here for another reason, and that is, that while there is no demand from any section of the country for cotton, woolen, and iron goods to be reduced, or put bodily on the free list, there does happen to be from some sections of the country a demand that the goods that we manufacture shall be put on the free list. So far as we know, we have done nothing worthy of death, and we respectfully ask that we be not laid out. We demand the same treatment which you will accord to cotton, woolen, iron, and all other industries. We are in exactly the same boat. We ask for a reasonable and just protection on the articles we make, which are cotton, jute bagging for cotton, binder twine, hemp, and jute, and we ask for them reasonable protection on two grounds: First, because we have paid, in round numbers, about $150,000 in duties on the machinery we use. We have done that because we could not get it in this country. We have been obliged to put it in, and it has gone into our permanent investment. We believe that our buildings have cost more than the buildings of our competitors abroad, and this makes our fixed charges larger.

The other ground on which we ask reasonable protection is, of course, on the ground of the increased cost of labor. I will state that I have gone into this labor question with a great deal of care. It was easier for me to do so because my experience was gotten abroad and I am familiar with the wages they pay. My overseers are mostly from England and Scotland and know the wages that are gotten there. A large portion of our help comes from those countries, and we have in that way been able to more correctly compare our own wages with the latest wages paid and reported by those men. We find that in the article of cotton bagging their average pay roll is something like four-tenths of what we have to pay. In Ireland it would be still less than in Scotland.

But if cotton bagging is brought into this country it will not be brought from Scotland, England, or Ireland, but from Calcutta, where they pay no wages at all, or so little that it is not worth considering. That is the sort of labor we have to compete with—Calcutta labor. We have asked for so much duty as will protect us against this cheaply-paid labor.

In the matter of yarns and twines we have not only to compete with Calcutta, but we come in competition with the Italian cheap labor. It is quite certain that the Italians can make the same goods for just a fraction over one-half of our pay roll. I will still further mention the fact that we are at a great disadvantage in two ways, namely: In the most of those countries they have, with the exception of Calcutta, a complete system of apprenticeship. They get carpenters and every other kind of mechanic for a mere nominal sum until they get to be men. They do men's work for many years before they get a man's pay. They also have a market from which to draw skilled help. If they lose their help in Dundee or Ireland they can draw help from a field of skilled labor, whereas we have to take labor from the country districts, and they know very little, if anything, about the business. Their wages are almost as high as skilled labor. Furthermore, we are obliged to use men, while the manufacturers in Ireland or Scotland use women. Some branches of the industry we are unable to pursue, because we can not afford to pay men to do work which is done on the other side by women. On this side when women marry they quit the factory, but in Great Britain they never seem to quit.

We employ about 1,100 people in these industries. Our mills have been in operation about twenty-five years. If I were to speak specifically of any duties, I would mention the duty on cotton bagging, which is now 1.6 cents per square yard. We think this duty may safely be reduced—that it can be reduced a little.

Mr. PAYNE. How much can you reduce the rate on cotton bagging?

Mr. STEVENS. I will state very frankly, the very lowest point to which it can be reduced. Some people are in the habit of saying that if you expect to get a certain thing, you must ask for more; I do not believe that. I think that the absolutely lowest rate that can be placed is 1 cent per square yard; it would suffer a little at that, but that is the low-water mark for bagging.

Mr. PAYNE. If it is reduced below that, can you continue the industry without a reduction of wages?

Mr. STEVENS. If it were reduced below that, we would be obliged to reduce our expenses, and the only place that that could be done would be in the pay roll.

Mr. DALZELL. You would make the duty 1 cent instead of 1.6?

Mr. STEVENS. Yes, sir.

Mr. PAYNE. Do you manufacture binder twine?

Mr. STEVENS. We have only been manufacturing binder twine a year and a half.

Mr. PAYNE. What is the price of it?

Mr. STEVENS. There are no sales now. The market is closed.

Mr. PAYNE. What was the price for the last season for the best quality.

Mr. STEVENS. It was 7 and 8 cents for the very best quality. I do not believe it would be above 7 or 7½ cents.

Mr. PAYNE. That would be wholesale?

Mr. STEVENS. O, yes. The retail price is double that.

Mr. PAYNE. The retail price varies very much?

Mr. STEVENS. Yes, sir; very much indeed.

Mr. PAYNE. A good many of the binder-twine manufacturing companies have furnished their customers at a lower price.

Mr. STEVENS. Yes; I believe that has been done.

Mr. PAYNE. The duty is about 10 per cent.

Mr. STEVENS. It is about one-tenth of 1 per cent per pound.

Mr. PAYNE. If it were put on the free list it would have an important effect on the industry, I suppose?

Mr. STEVENS. Binder twine could not be made in this country, as we can see. It is made largely in Ireland now.

Mr. PAYNE. Has the importation increased or decreased?

Mr. STEVENS. I can not answer; but my impression is it has decreased.

Mr. PAYNE. You think, if the duty were taken off, you could not compete in that here?

Mr. STEVENS. I am satisfied we could not.

Mr. TARSNEY. Is the labor estimated by the piece?

Mr. STEVENS. Some of it is by the piece, some by the day.

Mr. PAYNE. What is the difference in the percentage of labor when it is employed by the piece in the percentage when it is employed by the day?

Mr. STEVENS. I have bunched them all together.

Mr. PAYNE. Have you noticed in your investigation any particular difference between the amount of labor performed by a person employed here and a person employed in Ireland or Scotland in the production per day?

Mr. STEVENS. The difference is notably in favor of the Irish operatives, because they are so vastly more skilled.

Mr. PAYNE. You do not mean to say that a man can do more work in Scotland?

Mr. STEVENS. I believe that a man can do more in an hour than operatives in my own factory. It is not true in regard to cotton.

Mr. PAYNE. It is true in regard to your business?

Mr. STEVENS. Yes, most emphatically. I will instance a special case. We had a spinner who came to us recently, some two weeks ago. She was put at the very lowest pay, $5.40 a week, and she told us that for the same work she received eight and six pence abroad. I know of another who came from Scotland. She was put on as a spinner at $9 a week; and she told me that she got nine shillings over there.

Mr. STEVENS (member of the committee). You say the labor in Ireland on these machines will produce more than they will in this country?

Mr. STEVENS. Yes, sir.

Mr. STEVENS (member of the committee). You say that they are brought up in the business and are more skillful?

Mr. STEVENS. I think they would produce as much more in fifty-five hours than our workmen would produce in fifty-five or fifty-six hours.

Mr. STEVENS (member of the committee). And it is because of their being more skillful?

Mr. STEVENS. Yes, sir. We have to take what help we can get.

Mr. STEVENS (member of the committee). Is there any difference between a skilled workman who comes over here and the one who remains over there?

Mr. STEVENS. I do not think we get the best. We can not get them. We have to take only those who happen along. I think the adventuring element comes here, chiefly.

Mr. STEVENS. I am sure we do not.

Mr. PAYNE. You can not make a contract with them abroad?

Mr. STEVENS. No, sir.

Mr. WHITING. The increased wages here will not bring them?

Mr. STEVENS. If they had the money to come on, it might; but they never have. Furthermore, respectable people will not leave their families. No respectable spinner would come unless her family came with her.

Mr. TARSNEY. You say the poorest come over. How is it that they can get the money?

Mr. STEVENS. I do not know whether they steal it or not. The tramps always get everywhere; but I do not know how they do it. I presume they work their passage.

Mr. TURNER. I understood you to say you had been in business some eighteen years.

Mr. STEVENS. Yes; we have been in business twenty-five years, or since 1868.

Mr. TURNER. What do you pay for jute butts out of which you make cotton bagging?

Mr. STEVENS. The price is to-day, for the higher kinds, 2¼ cents.

Mr. TURNER. Do you mean in Calcutta or here?

Mr. STEVENS. I mean laid down in New York or Boston. The cheaper kinds are $1.45, or about 1½ cents.

Mr. TURNER. Do you mean in Calcutta?

Mr. STEVENS. No, sir. All prices for jute butts are quoted in New York. We never buy on a Calcutta basis.

Mr. TURNER. Has the process of the manufacture of jute bagging for cotton been improved in any way in the last twenty-five years?

Mr. STEVENS. Yes, sir; it has been improved very largely. I think it would be difficult to find any industry that has not improved very greatly in that time.

Mr. TURNER. You still use the old roping frame?

Mr. STEVENS. Yes, sir; it is essentially the same kind of machinery but is much improved in construction.

Mr. TURNER. Are they complicated machines?

Mr. STEVENS. Yes, sir; I should call the roping frame a complicated one. It is as difficult as the cotton loom. It has to be complicated, because the material contains so much dirt.

Mr. TURNER. Do they go through the process of spinning and weaving?

Mr. STEVENS. Yes, sir.

Mr. TURNER. Are not the employés used in your business largely women and children?

Mr. STEVENS. No, sir; they are very largely men. That is the chief disadvantage under which we labor, as compared with the British manufacturer. Our weavers are men and most of them men of families.

Mr. TURNER. How many establishments are there now engaged in making bagging for cotton out of jute butts?

Mr. STEVENS. I do not know that I can answer that. Of course you know a great many of them are now under one management.

Mr. TURNER. Where are they located?

Mr. STEVENS. There are two in Brooklyn, one in Paterson, three in St. Louis, one in New York, one in New Orleans, one in Charleston, and another somewhere in New England.

Mr. TURNER. There is one in Columbus, Ga.

Mr. STEVENS. Yes, sir; I had forgotten that.

Mr. TURNER. Are you acquainted with Mr. Pierce, who has appeared before this committee?

Mr. STEVENS. I am not.

Mr. TURNER. What was your relation to the arrangement by which bagging was advanced so largely four or five years ago?

Mr. STEVENS. The arrangement was made by a New York concern, notably the New York Bagging Company and the Lawrence and Waterbury companies; and after a very great pressure we joined with them one season. The arrangement was restricted, and we were glad to get out.

Mr. TURNER. That was soon after the Mills bill was considered by this committee?

Mr. STEVENS. I should say that it was previous to that time. That is my impression.

Mr. TURNER. No; you are mistaken. Mr. Pierce was before this committee, and I cross-examined him. He said the trust was then in existence. The price for bagging had then gone up from 6 or 7 cents to about 12 or 13 cents.

Mr. STEVENS. Not as high as that, I think.

Mr. TURNER. It was, perhaps, 13 or 14 cents to the consumer.

Mr. STEVENS. It would not be as high as 10 cents, so far as we were concerned, that year.

Mr. TURNER. That was an arrangement by which the price was put up to the consumer over and above what the former price was.

Mr. STEVENS. That is perfectly true.

Mr. TURNER. How long did that last?

Mr. STEVENS. I should have to speak entirely from recollection, but I think only one season. It was in operation through one selling season.

Mr. TURNER. It was during that season that the farmers resorted to so many other devices to obtain bagging.

Mr. STEVENS. Yes; they took to the use of cotton cloth, needle bagging, etc.

Mr. TURNER. How much did that cost the farmers, according to the consumption of that year?

Mr. STEVENS. I do not know.

Mr. TURNER. Your competitors, you say, are in Calcutta as well as in Scotland.

Mr. STEVENS. Yes, sir; I should not expect any competition with Scotland. They could not hold their own against Calcutta. The same thing is true in the matter of burlaps and bags. They are bringing them to California now. Calcutta manufacturers are also supplying China, Japan, and Australia. This trade has all been taken from Dundee. It is Calcutta and not Dundee that would get the American market.

Mr. TURNER. Your raw material is derived from India?

Mr. STEVENS. Yes, sir.

Mr. TURNER. The reason you want the duty maintained at at least 1 cent a pound is because your competitors obtain labor in India at a rate so much lower than you can obtain it in this country.

Mr. STEVENS. That is exactly true.

Mr. TURNER. Does not the American cotton-planter have to compete with the growers of cotton and other cheap labor of India?

Mr. STEVENS. I am not aware as to that. They certainly do not in this market. I am not familiar with cotton, however.

Mr. TURNER. You are aware that the product of cotton in India is sold in competition with American cotton?

Mr. STEVENS. Yes, sir; but that cotton can only be used for certain things; that is to say, you would have to use other cotton with it.

Mr. TURNER. Still, it supplies a certain want which would be supplied by American cotton, just as we would be glad to get some other bagging when yours might be too high for us.

Mr. STEVENS. Yes, sir.

Mr. TURNER. Would it be quite equitable to make these producers of American cotton who have to compete with the Indian farmers, who raise cotton with cheap labor, pay this high price for bagging that they must use when they ship their cotton to Liverpool?

Mr. STEVENS. That goes into the whole question of protection, and I do not know that I want to go into that.

Mr. TURNER. That is an aspect of it which you do not like to discuss.

Mr. STEVENS. I do not. We have to compete with the foreigners, and we would like to have this protection.

Mr. TURNER. And yet you concede that about two-thirds of the American cotton is exported in this same jute bagging?

Mr. STEVENS. Yes, sir.

Mr. TURNER. That goes abroad to compete with the cotton-producers in the nations you have described; but you propose, from what you have said in reference to a tariff bill that many manufacturers in this country get a rebate on their exports, and the case of tin has been referred to on which a rebate is allowed in order to enable the exporter of that article to meet equally his competitor abroad, while in the case of the cotton-planter, he is allowed no rebate for the enhanced cost of his bagging, the raw material of which is free.

Mr. STEVENS. I think there was a provision by which any exporter of cotton could get a claim for rebate.

Mr. TURNER. How do you make that out?

Mr. STEVENS. I don't know; it has been exceedingly difficult to establish such claims.

Mr. TURNER. In what law was anything of that sort found?

Mr. STEVENS. I do not know. I hear that in some cases the excess was allowed.

Mr. TURNER. You have forgotton that that rebate was allowed in cases where the article was manufactured from imported materials on which a duty had been paid.

Mr. STEVENS. I was aware there was such a clause in the act.

Mr. TURNER. There is no duty now on any raw material of that kind.

Mr. STEVENS. No, sir.

Mr. TURNER. Therefore, there is no provision in the act which would enable the consumer of bagging to get a rebate?

Mr. STEVENS. I submit, however, that the farmer who uses it is getting his bagging at a very much less rate than the rebate is by reason of this free jute.

Mr. TURNER. By reason of the competition between manufacturers here?

Mr. STEVENS. Yes, sir; in great part; because, also——

Mr. TURNER. Candidly, now, what is there to protect the American farmer against a new combination in bagging, such as existed before?

Mr. STEVENS. I don't know about that; but I will say this—that I should be perfectly willing to have bagging go on the free list the very moment that any such combination goes into force. I shall never be a

party to such a thing again. We may be driven to the wall by opposition, but we will never go into another trust.

Mr. TURNER. Then you recognize that that was a wrong done to the producer, and that it would justify that penalty being resorted to?

Mr. STEVENS. Yes, sir; I think so.

Mr. TURNER. I thank you for your candor, and I will not press the point further.

Mr. PAYNE. How much was the duty at the time of that combination?

Mr. STEVENS. One and one-half cents, I believe, and the duty was raised by the McKinley bill.

Mr. TURNER. May I ask you further how you stand in relation to this matter of machinery? If you get your machinery free, then could you make jute bagging cheaper?

Mr. STEVENS. Well, we could not get our machinery cheaper, because we have already got it and paid the duty on it.

Mr. TURNER. I am speaking, of course, with reference to the trade generally.

Mr. STEVENS. If we had to start over again and could get our machinery free, we would get along with a lower scale of duty than I now ask for. I put it upon the ground that we had already paid these vast sums in duty.

Mr. TURNER. These machines which you use are generally imported, I believe. There is no good machinery made in this country, in New Jersey or anywhere else, for your purpose.

Mr. STEVENS. There has been machinery made in this country, but none of it was used. It is no cheaper. Imported machinery, with 45 per cent duty added, is cheaper.

Mr. TURNER. Home machinery is not satisfactory.

Mr. STEVENS. We have not had any, and do not expect to have any. We consider that our business has been reasonably satisfactory. I think it has been less satisfactory than the cotton and woolen manufacture. Money put into either of those would have yielded greater results than we have gotten out of jute.

Mr. TURNER. Would not there be a difference in the freight on the manufactured jute bagging, as compared with the freight on jute butts, and would it not amount to a considerable item?

Mr. STEVENS. I think not. The duty on cloth from Calcutta would be greater than the duty on butts—on some very much greater.

Mr. TURNER. What is the freight rate?

Mr. STEVENS. I can not answer that question. A number of vessels are very glad to get a cargo of those bags to the United States. They would be equally glad to get a cargo of cloth. They go out with ice and things of that sort.

Mr. TURNER. They would like a return cargo?

Mr. STEVENS. Yes, sir. It would be a little more, simply because it is greater in bulk. They charge for space.

Mr. TURNER. Would you think, as a matter of equity, that those who were situated as we have just seen should have some compensation in the spirit of a fair divide?

Mr. STEVENS. I do not believe I want to answer that question.

Mr. TURNER. They are raising cotton now and selling it at less than cost, while you are making a small profit.

Mr. STEVENS. I said that in past years we were making nothing.

Mr. TURNER. But in the last few years you have made something.

Mr. STEVENS. I assure you, as to the Southern farmer, that he wil

get his cloth for less than it takes to manufacture it. He is getting it for less now.

Mr. TURNER. But, unfortunately, the farmer claims that he is not getting it for less than the cotton costs to raise it.

Mr. STEVENS. I am sorry for him.

Mr. TURNER. He can not close up his farm.

Mr. STEVENS. Nor can we shut up our mill and discharge our employés. We own the whole village of about 40 acres in the place where we are situated, and we have to take care of those people.

Mr. TURNER. I want to say if we can not get the farmer into a position where he can get his taxes off, ought not there to be a fair division? You were prospering the last few years; the farmer has not been.

Mr. STEVENS. I suppose he is in the same condition as the farmer in New England. There are great sections there where they are suffering.

Mr. TURNER. Is it possible that farming does not pay in New England?

Mr. STEVENS. I can say it is true, because I have the misfortune to be a farmer.

Mr. TURNER. Then the tariff has not brought a home market to the farmers in New England?

Mr. STEVENS. It has not. If there is any man in creation for whom I am sorry it is the New England farmer. I should be compelled to go out of existence if I had to live on the products of my farm. I do not think the southern farmer can be in any worse condition than the New England farmer.

Mr. TURNER. Is he not an object of compassion?

Mr. STEVENS. I feel some compassion for him, as I feel for all of our farmers, but I object to going to the point of extinguishing a home industry in order to give an industry to Calcutta, because I am not sure that that would benefit the farmer.

Mr. TURNER. It is rather unfortunate that the farmer should be compelled to pay this. He ought to have access to the same markets that you have, on the same terms.

Mr. STEVENS. We have that to complain of. We have felt that in having to pay that high rate on our machinery—in having to pay $150,000 more than our competitors in Dundee. We recognize the principle and we have nothing to say, excepting that we hope to be recognized.

Mr. BYNUM. This excessive amount paid on your machinery is not a question of duty.

Mr. STEVENS. Yes, it is.

Mr. BYNUM. Then you do not subscribe to the doctrine that the foreigner pays the duty?

Mr. STEVENS. In the case of machinery, I am perfectly satisfied as to who pays it. Machinery is offered to us at so much in Liverpool. It is $4.83 in Liverpool; in Boston, it is $7 to the pound sterling. We can take our choice.

Mr. BYNUM. What do you manufacture?

Mr. STEVENS. Cotton bagging is our principle line of business. We also make binding twine, jute, hemp, and carpet yarns.

Mr. TURNER. You have a separate mill for binding twine?

Mr. STEVENS. Yes, sir.

Mr. TURNER. Do you keep separate accounts as to each industry?

Mr. STEVENS. Yes, sir.

Mr. TURNER. What is the annual output of your manufactory, taking an average year?

Mr. STEVENS. It is from 12,000,000 to 13,000,000 yards.

Mr. TURNER. About what was the price at which you disposed of the product?

Mr. STEVENS. It is probably 6 to 6½ cents per yard; it is more for the best.

Mr. TURNER. What was your pay roll for that year for labor? I want it just for the item mentioned.

Mr. STEVENS. The pay roll is, in round numbers, for bagging, something like $3,300 a week. Our pay roll for bagging is the largest.

Mr. TURNER. If your pay-roll would average about $125,000 a year in that industry, and the output is 12,000,000 yards, at 6 cents a yard, it would amount to $720,000?

Mr. STEVENS. Yes, sir.

Mr. TURNER. What other difference is there in the cost of the product outside of labor?

Mr. STEVENS. The entire difference I could not give you.

Mr. TURNER. What other elements of difference are there?

Mr. STEVENS. The fact that we have paid out this large item for machinery, and also the large cost for buildings and the equipment of our plant.

Mr. TURNER. There is nothing except the mere investment which would make any difference in the cost of production?

Mr. STEVENS. There are some other items of which I have not taken account. There are items of supply which every mill has, such as repairs, coal, iron, and things of that sort. Our repairs happen to be larger than upon cotton or woolen mills—eight or ten times larger.

Mr. TURNER. Is not the cotton-mill man in the same position as to machinery?

Mr. STEVENS. Yes, a large part of that has to be imported.

Mr. TURNER. The duty on your product is how much on the output?

Mr. STEVENS. The duty at present is 1.6 per square yard.

Mr. TURNER. That would more than pay the entire cost of labor.

Mr. STEVENS. I have already said the present amount of tariff, in my judgment, is unnecessary. I said that it was not needed, and I told you I would be perfectly frank about it. I am not asking for an increase of duty, and I do not think we need it.

Mr. TURNER. What about the output of a hand in this country as compared with one in India?

Mr. STEVENS. I do not, as I have no knowledge on that point.

Mr. TURNER. You have not investigated that?

Mr. STEVENS. I have not, but I could do so. I have asked a few general questions in a general way. One of the overseers in my mill had been an overseer in India for three years. I asked him some general questions bearing upon that.

Mr. TURNER. Is it a fact that labor in India is not near so efficient as it is in this country?

Mr. STEVENS. I assure you that one of ours would be almost as efficient as three of theirs.

Mr. GEAR. Have you stated the difference between what you pay your workingmen and the price paid in India?

Mr. STEVENS. Yes, sir; I did, in my general statement.

Mr. PAYNE. You said that the wages in India was nominal.

Mr. STEVENS. Yes, sir; it is almost no wages at all.

Mr. PAYNE. When you imported this machinery, was the same machinery manufactured in this country?

Mr. STEVENS. Yes, sir.

Mr. PAYNE. You bought this abroad?
Mr. STEVENS. We did.
Mr. PAYNE. The reason why it was not manufactured here was because no one bought it.
Mr. STEVENS. A few went into the business and did buy that machinery. There was a machine made in this country, but it cost more than the machine does that comes from abroad.
Mr. PAYNE. It was made experimentally?
Mr. STEVENS. Yes, sir.

FLAX, JUTE, AND HEMP.

(Schedule J.)

SATURDAY, *September 9, 1893.*

STATEMENT OF MR. A. R. TURNER, A VICE-PRESIDENT OF THE BARBOUR BROTHERS COMPANY.

Mr. CHAIRMAN: I appear as vice-president of the Barbour Brothers Company, and also represent the following manufacturers:
Barbour Flax Spinning Company, Paterson, N. J.; Smith & Dove Manufacturing Company, flax spinners, Andover, Mass.; Marshall & Co., flax and hemp spinners, Newark, N. J.; A. H. Hart and Company, flax and hemp spinners, New York, N. Y.; Cable Flax Mills, Schaghticoke, N. Y.; Dunbarton Flax Spinning Company, Greenwich, N. Y.; James Thompson & Co., flax and hemp spinners, Valley Falls, N. Y.; Whitney, Macduff & Co., flax spinners, Millbury, Mass.
I might say that originally the Barbour Brothers Company made an application, and later some other gentlemen conferred with them, and, after such informal conference, we concluded to come as one body, and, therefore, I represent the entire list which I have read. I prepared a statement which I will read.
Mr. Turner read the following paper:

Mr. CHAIRMAN AND GENTLEMEN: In view of the contemplated re tariff, we urge that any reductions which may be made may be so a manufacturers and those in their employ will suffer no injury. Wh prefer to have the tariff unchanged, reasonable revision, if made in would effect quite a reduction from existing rates.

If there is a demand that raw materials should be placed on the free duty is removed, it will represent a considerable sum, and also admit in the rates of duty on manufactured products. The duty collected on r for the year ending June 30, 1892, was as follows:

Flax straw	
Flax, not hackled or dressed	
Hemp	
Tow of flax	
Tow of hemp	

As manufacturers necessarily carry large stocks of raw material, we raw materials are placed on the free list the duty may be made applicable before any reduction might apply to manufactured articles.

With the duty removed on these fibers it would admit of reduction line of flax and line of hemp as follows:

Flax, hackled, known as dressed line, from 3 cents per pound to 1 cen or a reduction in duty of $51,884.37; hemp, hackled, known as line of $50 per ton to one-half cent per pound, or a reduction of $4,601.82.

duction on raw materials and on line of flax and hemp we estimate to be $301,339.44.

Paragraph 370 we recommend shall be revised to read as follows: Yarns, threads, or twines composed of flax, hemp or ramie, or of a mixture of either of these substances, valued at 13 cents or less per pound, 5 cents per pound; valued at more than 13 cents per pound, 40 per centum ad valorem.

Paragraph 371, we believe, can be reduced to a uniform rate of 35 per cent in place of existing duties, and this would represent a reduction in duty of $586,706.66.

If the revision just suggested were put into effect there are other items, such as clothing, collars and cuffs, embroideries, etc., which could undoubtedly be reduced, because of reduced cost of linens, which enter into their manufacture, but we would prefer that parties representing these industries should make their own presentations to you.

Changes suggested for paragraphs 356, 357, 358, 359, 360, 370, and 371 represent a possible reduction of $919,381.06, and reductions could be made in other paragraps not yet referred to by us.

The duty on jute yarns as named in paragraph 361 is now 35 per cent, and should not be reduced. Any reduction therefrom would curtail business, and a material reduction would close the jute mills in the United States, unless reductions are made in wages. The present rate of wages is two and a half times more than is paid in Europe, and we are at a still greater disadvantage from extremely low wages paid in India.

In the detailed consideration of Schedule J we trust you will examine the rates of protective duty afforded the different textile industries and compare them with the duties in the flax and hemp schedule. The summary we find to be as follows:

	Per cent.
Wools and manufactures of, average duty	78.69
Manufactures of wool	95.81
Manufactures of silk with free raw material	53.96
Manufactures of cotton with free raw material	57.33
Flax, hemp, and manufactures of	36.58
Manufactures of flax and hemp	39.11

We do not ask that the other textile industries be reduced to the low rate of Schedule J, but we submit that, as the rate of wages in one textile mill has a direct influence on that paid in another, we can not operate our mills with any large reduction unless the other textile duties are reduced in the same proportion; nor can we submit to much reduction without reduction of wages, and we have no desire for this change, although we are now paying two or three times as much for wages as the average paid for the same work in Europe.

If the reductions in duties in Schedule J are large so that the operatives would not accept a low scale of wages, we must close our mills and retire from business.

The importations of yarns and threads are very large, and the low rates of wages paid by French and Italian spinners enables them to produce goods at a very low cost, and already the yarns of Irish and Scotch spinners are being displaced in some markets by French and Italian yarns. The importations for the year ending June 30, 1892, were as follows.

	Pounds.
Yarn made of jute	2,368,549
Yarns, threads, or twines valued at 13 cents or less per pound	820,006
Valued at more than 13 cents per pound	1,080,439

Mr. TURNER. The fashion of wearing linen goods is diminishing somewhat.

Mr. TURNER. We are thread spinners and not dealers in piece goods, therefore I can not give a satisfactory answer to that question.

Mr. STEVENS. Is there any of this Irish linen made here?

Mr. TURNER. Not the fine Irish linen; that is made in Scotland. We make crashes and towels.

Mr. STEVENS. There is nothing made here except cotton goods?

Mr. TURNER. No, sir.

Mr. PAYNE. Where were these three factories established?

Mr. TURNER. One in Massachusetts was established a great many years ago.

Mr. PAYNE. When were those established for making linen out of domestic flax?

Mr. TURNER. I could not answer.

The CHAIRMAN. Is the machinery used in this industry m country or imported?

Mr. TURNER. It is largely imported.

The CHAIRMAN. Where is it made?

Mr. TURNER. In England and Ireland.

The CHAIRMAN. In this country has there been any imp in the machinery in this industry in recent years?

Mr. TURNER. Only in the details; there have been no provements to revolutionize the process.

The CHAIRMAN. What are the fibers used by all these which you represent?

Mr. TURNER. Flax, hemp, and jute.

Mr. TURNER (of the committee). What do you make out c

Mr. TURNER. Jute carpet yarn.

Mr. TURNER (of the committee). Do you export any good

Mr. TURNER. No, sir; we do not, except a limited amount send to Canada.

Mr. TURNER (of the committee). What kind of goods do to Canada?

Mr. TURNER. Some specialties in thread suited for America in connection with shoe machinery. It is a question of ad rather than price.

Mr. PAYNE. You spoke of the difference in wages between t and Europe, and especially as to Great Britain. Have yo sonal knowledge on that subject?

Mr. TURNER. I have no positive information in connection I myself have never been on the other side; but Mr. Barbo and has personal knowledge of that.

FLAX, HEMP, AND JUTE.

(Schedule J.)

STATEMENT OF MR. BARBOUR, OF PATTERSON, N. J.

Mr. CHAIRMAN: I do not know that I can say anything to what Mr. Turner has said, except as regards the labor. mills both at Paterson and in Ireland. I have myself pers the workingmen paid off, and I do not overstate it when wages in Paterson are two and one-half times as much land, for the same work exactly.

Mr. GEAR. And the same produce?

Mr. BARBOUR. Yes, sir.

Mr. GEAR. Do you pay by the day or by the piece?

Mr. BARBOUR. By the day.

Mr. GEAR. About the efficiency of your people, is it gr there than it is in this country?

Mr. BARBOUR. It is exactly the same.

The CHAIRMAN. Are the hours the same?

Mr. BARBOUR. No; we have the 55-hours law now in New

The CHAIRMAN. The hours are shorter in New Jersey t land?

Mr. BARBOUR. Yes, sir.

Mr. PAYNE. And you pay the same wages for the shorter

Mr. BARBOUR. We did until we stopped.
Mr. PAYNE. When did you shut down?
Mr. BARBOUR. About six weeks ago.
Mr. DALZELL. Did you stop the mills or stop the wages?
Mr. BARBOUR. We stopped the mills, but that is only temporarily. I wanted to emphasize one fact that Mr. Turner stated, and it is this: Under Schedule J to-day we do not enjoy the protection that is enjoyed by other industries with whom we compete in the matter of labor. If reductions are to be made we should be put on the same basis as the other industries that employ the same kind of labor. We have less protection by far than the cotton, woolen, silk, steel, or iron industries, and our labor is raw material. If the protection is reduced we can not compete with our fellow manufacturers with the labor we now have for our mills. It is difficult to do it now.
The CHAIRMAN. What do you make in your mills?
Mr. BARBOUR. We make the entire range of linen thread and yarns.
The CHAIRMAN. You did not make fabrics?
Mr. BARBOUR. No, sir.
The CHAIRMAN. To whom do you sell your yarns?
Mr. BARBOUR. To almost every shoemaker, dry goods house, and manufacturer in the United States, I may say. They all use more or less linen thread. It is used in harnessing the looms. In the shoe shop it is used in sewing shoes. In the dry goods stores in the country it is sold for sewing on buttons.
I had a conversation with Mr. Potts, treasurer of the Importers' Association of New York, and he asked me to state, if I came down here to-day, that the importers (and I think I can speak for about nine-tenths of them) would be satisfied with a 35 per cent reduction on linen piece goods. We were greatly in hopes that they might come here to-day under our schedule. We think that if the manufacturers were here they and the importers would be found to be harmonious, and we would settle our case out of court, so to speak.
Mr. STEVENS. What is the difference in insurance between your establishment now in this country and the one you have in Ireland?
Mr. BARBOUR. It is about two and a half times as much here.
Mr. STEVENS. And the rates on the establishment there are the same?
Mr. BARBOUR. About the same.
Mr. STEVENS. Then as to the matter of taxes. In comparing your establishment in Ireland with the one in Paterson, what would be the difference for the same productive capacity?
Mr. BARBOUR. I should think it would be about the same relative taxation.
Mr. STEVENS. About 2½ per cent.
Mr. BARBOUR. In Paterson it costs a dollar a foot as compared with 62½ cents in Ireland.
Mr. STEVENS. And your mill would cost double as much?
Mr. BARBOUR. Not quite double as much, but nearly so.
Mr. STEVENS. That is, for your mill building?
Mr. BARBOUR. Yes, sir.
Mr. STEVENS. And how is it as to machinery?
Mr. BARBOUR. That costs 50 per cent more, and the expense of putting it up.
Mr. DALZELL. What is the duty on the machinery?
Mr. BARBOUR. It is 45 per cent duty, and freight. We call it 50 per cent. That is a feature in connection with the linen business, as all the machinery in this country has paid 50 per cent duty.

Mr. PAYNE. Have you been able to get a higher price for goods in this country?

Mr. BARBOUR. Prices have not changed since the McKinley bill went into effect. The shoe manufacturers are paying exactly to-day what they paid five years ago—every one of them. We have not advanced prices.

Mr. DALZELL. The change made by the McKinley bill was from 35 per cent to 40 per cent.

Mr. BARBOUR. It was from 40 per cent to 45 per cent.

Mr. PAYNE. This 35 per cent is on condition t
suppose?

Mr. BARBOUR. Yes, sir. It is free raw materia
ference of about 3 per cent to us; not over that.

That is a very brief statement in connection wit
we represent.

Another matter which is of great importance
which may be made should be made with reasona
of the uncertainty which exists in the business.
the business, and it will remain so until it is settl

The CHAIRMAN. You suggested in the beginnir
there should be an interval between placing the
free list and the taking effect of the reduced tariff
uct. What would you say would be a proper inte

Mr. TURNER. That would depend somewhat u

The CHAIRMAN. When do you buy your raw m

Mr. TURNER. Generally in December and Janu
ward in the spring.

The CHAIRMAN. When do you put the fabric o

Mr. TURNER. We bring forward only sufficient
We can not get good selections at the opening of t
to take what we can get. Six months ahead w
arrange.

The CHAIRMAN. How long in advance do you t

Mr. TURNER. Not any great time in advance of
ufacture for the market and sell from our stock.

The CHAIRMAN. Where does your raw material

Mr. TURNER. From Russia, France, Belgium,
European countries.

The CHAIRMAN. What is the proportion of r
country to your entire consumption?

Mr. TURNER. It is infinitesimal.

The CHAIRMAN. In what section of this countr

Mr. TURNER. A few years ago it was produce
New York, but flax is now produced in the Wes
Dakota, but the amount is very small, indeed it is
not represent an industry as it stands today. A
have tried to raise flax. We have worked with the
like to have a supply of our fabric turned out in
find it is an impossibility. Farmers seem to find
better, and they go to raising something else. T
be beyond control, although our disposition has b
ican product.

The CHAIRMAN. Is this flax produced in Wisc
fiber or is it produced for seed?

Mr. TURNER. The flax raised throughout the W
seed alone. It is short and stubby and is not fitt

Mr. STEVENS. Is there much labor required in preparing this flax?

Mr. TURNER. Yes, sir. We have to organize scutching mills for the separation of the woody parts.

Mr. STEVENS. How does the price compare with the former price in this country?

Mr. TURNER. The prices at present are higher—due to the failure throughout the European islands where it is raised.

Mr. PAYNE. Can they produce flax in this country suitable for your business?

Mr. TURNER. They have produced some good grades in this country, but it is not suited for fine grades of spinning, or where you require strength.

Mr. PAYNE. Is that owing to the natural difficulties or to the fact that the producers are engaged in more profitable business?

Mr. TURNER. It is partly due to both. There are peculiar conditions of soil in the peat bogs and rivers abroad in several places in Europe which do not apply here, and which give special results.

Mr. PAYNE. Is flax an important product in this country?

Mr. TURNER. Hemp is, but flax is not.

Mr. TURNER, of the committee. What style of goods do you make?

Mr. TURNER. Linen threads and carpet yarns.

Mr. TURNER, of the committee. Is Irish linen produced in this country?

Mr. TURNER. Only to a limited amount.

Mr. TURNER, of the committee. How does it compare with the Irish linen in quality?

Mr. TURNER. It compares favorably as far as linen goes. It is limited as compared with the Irish linen grades.

Mr. TURNER, of the committeee. Is the raising of flax here of recent industry?

Mr. TURNER. It has been made here for years.

Mr. TURNER, of the committee. Where?

Mr. TURNER. At Webster, Mass., Appleton, Wis., and at Sioux Falls, S. Dak.

Mr. TURNER, of the committee. Is it profitable?

Mr. TURNER. I hardly think it is, because there has been no extension of the industry, while there are very large importations of that class of goods.

Mr. TURNER, of the committee. There used to be an idea that the mode of bleaching was better in Ireland on account of some climatic conditions.

Mr. TURNER. That applies more largely to the finer grades. Undoubtedly the grass bleaching over there is better. They are resorting now more and more to mechanical methods than to grass bleaching.

Mr. TURNER, of the committee. What do you mean by "mechanical methods?"

Mr. TURNER. By acids and chemicals—by bleaching-houses rather than by the natural method of bleaching on the grass. They still carry on some part of the bleaching process on grass.

Mr. TURNER, of the committee. That is a chemical process.

Mr. TURNER. It is chemical and mechanical.

Mr. TURNER, of the committee. Does that kind of bleaching stand as well in the trade as the grass bleaching?

Mr. TURNER. I presume not in the long run. It depends upon the final handling of the goods and as to whether anything is left in the fiber of the material which would deteriorate it.

BURLAPS.

(Paragraph 364.)

STATEMENT OF MR. J. M. BEMIS, BAG MANUFACTURER, OF BOSTON, MASS

Mr. CHAIRMAN: My remarks will be quite brief. They will relate to only two paragraphs in the jute schedule, one of those being paragraph 364, which relates to the duty on burlaps under 60, and we are using nothing wider. The other paragraph is 365, which relates to bags, and is short, and the one in which I am directly interested. I have written off a few remarks here which do not all bear directly on my industry, but pertain generally to the matter of the tariff.

Mr. DALZELL. I believe the law was changed in the act of 1890 to a specific duty.

Mr. BEMIS. Yes; I will come to that a little later.

Mr. Bemis read his paper, as follows:

In my remarks before the McKinley committee, I said, if the protective principle is to remain, the minimum rates of duties that would protect should be adopted. The remark is equally applicable now as then, and I believe it is the sentiment of your honorable committee that a revenue tariff should be so framed that it would allow our manufacturers to pay fair wages. In other words, that duties should be levied on foreign goods to even the conditions existing abroad and in this country. The minimum prices to consumers can only be obtained by competition, and this competition we have in manufacturing bags both from home and abroad under the present tariff. A high or prohibiting tariff is only equaled or excelled in its bad effects by a too low or no tariff rate that would discriminate against home production and enable foreigners to make all the goods abroad, thus depriving our manufacturers of their profits, the laborers of their wages, and the consumers of competition prices, and finally, the taking of money away from this country that should remain here and be handled over and over again for the benefit of all our citizens.

If the tariff is a tax, let all of us be taxed; if the tariff is a blessing, let all of us share in it, and if it is too high, it should be reduced, but all changes should be moderate and tentative, and at stated periods, and far enough in advance to give our manufacturers and laborers time to prepare for proper adjustment.

The Morrill tariff rated raw jute 20 per cent ad valorem; burlap, 30 per cent; bags made of burlap, 40 per cent.

The McKinley bill puts raw jute on the free list, burlap at 1⅛ cents per pound, and bags at 2 cents per pound. Your petitioner, for himself and others, labored with the McKinley committee for rate of 1½ cents on burlap and 1⅞ cents on bags, and failing to secure these rates, pleaded with the Senate Finance Committee for the same, but without effect. To these rates, as well as those adopted, the Pacific coast bag manufacturers strongly protested, claiming that they could not retain the manufacturing of bags on such low rates.

The specific system in burlap and bags, in the present tariff, has worked well, thus preventing any possible fraud. We think all of the Boston appraisers will recommend its continuance. No appraiser can tell from mere looks what the weight is of any given sample, and to ascertain if an invoice entered for duties weighs according to the invoice, it must be weighed. The weight defines the price to a certain extent. The ad valorem system was particularly objectionable to the American importers. For instance, if a contract for burlap is placed abroad for future shipment (the favorite way of buying) at 2 pence per yard, if when shipment is made the market value has advanced to 2¼ pence, duties are assessed on this advance. If, however, when goods are shipped the market value has declined to 1¾ pence, then the duties are assessed on the purchase price—2 pence—or the importer must have two invoices sent him, one at market value, by which to pay duties, the other at contract price, by which to settle with the manufacturer. The importer, under this last condition, lays himself open to prosecution for swindling the Government, and gets no advantage of a decline in prices, although the Government demands the advantage of any rise.

The foreign manufacturers or merchants consigning their goods to this country can always invoice them at market value, thus having a decided advantage over the American importers. Some of the bag manufacturers are also importers and wish to be in a position to obtain their supplies at the minimum cost. No doubt

your honorable committee will sift both systems and adopt the one which seems the better, but we much prefer the specific.

The drawback system has given the millers and flour-shippers much benefit, as the portion of their bags used for export are subject to and receive a drawback of 99 per cent of duties paid. In framing the present tariff the Millers' National Association, having an organization in most of the States, took a lively interest in the drawback clause, their secretary being in Washington much of the time. Many of the millers also telegraphed to their Representatives and Senators direct, advocating this system.

As to the rate of duties on burlaps, no doubt the American jute manufacturers will present their own views. They will have great bearing on our business. The rate should not be too high, neither should it be too low.

We believe if burlaps should be admitted free the benefit would accrue to the foreigners and not to our consumers, as we believe the foreign prices would advance nearly, if not quite equal to the reduction of the duties, and the Government would lose the revenue. We are creditably informed that cablegrams have already been received from Calcutta asking information as to the probable reduction on jute fabrics. Heretofore the rule with Calcutta manufacturers has been, in selling future shipments at much less prices than immediate shipments, but recently this old and well-established rule has been reversed, and the farther ahead sales are now the higher the prices. This certainly indicates that they are expecting to receive benefit from any reduction in our tariff rates—that is, that they will advance their prices.

We are told through the papers and otherwise, that this Congress will surely pass a free-trade tariff bill. Now, we expect some reduction from the present tariff, but when it is considered that no nation can be really prosperous and stand ahead of all other nations unless it leads in both manufacturing and agriculture, we can not believe that any tariff bill will be enacted that will destroy a single American industry, closing our factories and setting adrift our wage-earners.

Without naming anything especially in praise of the bag manufacturers in this country, we will say, they have never combined or gone into any trusts to put up the price of bags on the consumers, but have always labored to produce the article wanted at the minimum cost, and we do not believe that a single consumer or bag user can be found east of the Rocky Mountains who will make any complaint of bad service at the hands of the bag manufacturers. In fact, the competition has been exceedingly close, so much so that one-third of as many factories as are now running in the United States have failed during the past fifteen years. The rates of duties your petitioner asks for are indeed small, yet they are absolutely essential if we are to retain the business here, so we pray that your honorable committee will fix the rate of duties on burlaps, Schedule J of present tariff bill (paragraph 364), at 1¼ cents per pound, and on bags for grain and flour, made of the burlap (paragraph 365), at 1⅞ cents per pound, which we believe to be a fair and reasonable adjustment, under existing conditions.

If the ad valorem system should be chosen by your honorable committee, we would ask for the burlaps rate at 25 per cent, and for the bag rate at 32 per cent. If any other rates than herein named are adopted on burlap cloth, we beg to ask a rate on burlap bags over and above the rate on the cloth in proportion to the above figures suggested.

Herein we beg to submit you sample marked "single." This is the burlap cloth and dutiable at 1¼ cents per pound, and the bags made of this cloth at 2 cents per pound, present tariff. We also herewith hand you sample of double-warp Hessian cloth or bagging, marked "double." This is dutiable in the present tariff at 2 cents per pound, and the bags made of this double-warp cloth are also dutiable at 2 cents per pound in the present tariff. Many hundred thousands of these bags are used in this country, and up to this time not a single bag has been made here by the bag manufacturers, because it is impossible with our scale of wages to make these bags and compete with foreign makers, when the cloth and bags are both dutiable same price. We only bring this to your attention to show that if burlaps and bags were on the free list, it would be impossible for the bag manufacturers to retain any of the bag manufacturing here.

We do not ask your honorable committee to make a new paragraph and have in the new bill that is to be bags of two kinds and dutiable at two different rates; this was brought to the attention of the McKinley committee, but they concluded to have only one dutiable rate for all kinds of burlaps and double-warp bags, and we presume it will be the object of your committee to simplify matters in your tariff bill as much as possible. Of course, we should like this double-warp bag dutiable at a rate that would allow its manufacture in this country. All of which is respectfully submitted.

Average price for cental bags in Calcutta for 1892 (12-ounce bag): The average custom-house exchange for the rupee would equal, per bag, 4.08 cents our money.

This shows the McKinley tariff reduced the duties, compared with the Merrill bill, about 8 per cent. On burlaps, owing to short notice, could not make up the average for comparison. Will do so and mail, if the committee so desire.

Very truly yours,

J. M. BEMIS,
For Bemis Bro. Bag Co., St. Louis, and Gulf Bag Co., Limited, New Orleans.

Mr. BEMIS. (After concluding the paper.) I wo
Mr. Babbott, of the Chelsea Jute Company, met m
anxious that I should not advocate changing the
that the duty was low now, which I admit, and
that we should not make any attempt to change it.
say just what he asked me to say, and I do so with

I would like also to say that since Congress has
in this extra session, the price in Calcutta for forw
advanced exceedingly for burlaps and bags; that i
for winter and spring they expect would probabl
new tariff at a lower price. Mr. Babbitt, to whom
one of those manufacturers. I told him what we
simply because I had asked that during the last
did not obtain it. I have experienced no change i
said I did not know what it cost to manufacture go
My recommendations were left out in the last tarif
samples here, which I will submit to the committ
ples).

My notice of this meeting was so limited that I c
ward all the statistics which I was willing and qu
to the committee; but I have one item which be
and the only one which I have been able to make u
able to make up the showing of the average duty u
bill. It is not very much different from the one on

Mr. PAYNE. That is left at 32.

Mr. BEMIS. It was 4.8 in the McKinley bill, or 4
the present bill it is 1½, while under the old one it
before your committee for the Bemis Brothers
which has two or three branches, and also for the
pany Limited, of New Orleans. I have received th
patches from two of the largest milling corporat
States, Pillsbury being the largest. Knowing that
to-day, through our Minneapolis branch, they have
follows:

[Telegram.]

MINNEAPOLIS, MIN

J. M. BEMIS,
Ebbitt House, Washington, D. C.:

We are willing to abide by your ideas of tariff on jute, retained.

WASHI

[Telegram.]

MINNEAPOLIS, MIN

J. M. BEMIS,
Care Ebbitt House, Washington, D. C.:

We indorse your position before Ways and Means Committ be made to injure export business.

THE NORTHWESTERN CONSOLIDATE

The Northwestern Consolidated Milling Company comes next to the Pillsbury; but my impression is that Mr. Pillsbury is now out of this country, or I would have heard from him.

I do considerable business in Calcutta through a firm in San Francisco, and I have just received this dispatch, which is sent at this time because they have offered on purchases to be shipped to California on January sales 4.03. The average last year was 4.08. Calcutta centals are 4.19. There is no reason why they should not be sent. They have advanced since this Congress met from 3.80 to 4.19. I can only account for it on the idea that January shipments will be in after this new tariff is made, and they expect, possibly, free bags, or some reduction, and expect to get this advance, so that this country can not expect any reduction in the full proportion to the reduced duty, if there is any made.

The CHAIRMAN. Have the Calcutta manufacturers any combination by which they could put up prices?

Mr. BEMIS. I do not know about that. This cental bag has never been made in this country. They make that bag exceedingly cheap.

Mr. GEAR. What is the cental bag?

Mr. BEMIS. It is a 100-pound wheat bag that goes to the Pacific coast.

The CHAIRMAN. I suppose the demand for that bag and all other bags varies?

Mr. BEMIS. Yes, sir; the demand for jute bags varies very greatly. This bag is only made in this country.

The CHAIRMAN. They are competing with each other for the trade in this country and others, are they not?

Mr. BEMIS. Undoubtedly.

Mr. STEVENS. Are any of those made in this country?

Mr. BEMIS. Yes, sir; we make that largely.

Mr. TURNER. What is your price for that bag?

Mr. BEMIS. We have been selling that, but have now sold out. We have just sold out at 5.75. This price would be 4.19, plus 12 points banker's commission, which would make it just 5.75.

Mr. TURNER. That includes your profit?

Mr. BEMIS. This is the net cost, landed to-day, on this cable which I received just now. The price in Calcutta was, two or three days ago, $6\frac{1}{8}$. The difference in the price of those was owing to the detention, or nonarrival, of a cargo of bags which was several days overdue, and there was some suffering in consequence of this. The ship arrived, and the price declined to $6\frac{1}{2}$, which is not a large profit on the foreign market.

Mr. PAYNE. You said you recommended $1\frac{7}{8}$ on the grain bags you were using. Did you put that price as the lowest possible point at which the duty could be placed out of deference to the Grain Dealers' Association of this country? The duty was put at 2 cents a pound, and you recommend $1\frac{7}{8}$.

Mr. BEMIS. It was provided that burlaps should be put at $1\frac{1}{2}$.

Mr. PAYNE. You did not place it upon the ground that this was the lowest possible point at which it could go with safety?

Mr. BEMIS. Yes, sir.

Mr. PAYNE. You did that out of deference to the millers' association?

Mr. BEMIS. Yes, I did.

Mr. PAYNE. Suppose the duty on grain bags should be reduced to three-eighths of a cent a pound, what would be the result on the manufacture of grain bags in this country?

Mr. BEMIS. That is just where it is to-day. It is three-eighths now.

Mr. PAYNE. Say if burlaps were free; could it then go at three-eighths?

Mr. BEMIS. I would be sorry to have it at that. I think we might live if burlaps were free; but that would not be my recommendation, because that cuts us close. The Californians wanted to knife me during the last Congress because I recommended only three-eighths. I think they have made the same proportion as they made before.

Mr. PAYNE. How does the price average for these products?

Mr. BEMIS. I have given you the average of the foreign cost for 1892.

Mr. PAYNE. What is the difference to the consumer in this country?

Mr. BEMIS. The cental bag is sold for about 6 to 6½. It has been selling at a fair profit, if they could be sold on arrival.

Mr. PAYNE. How does it compare with the price of the raw material?

Mr. BEMIS. There is very little change. The only effect, as I see, is the original cost.

Mr. BURROWS. Do you know anything as to the rate of wages paid in Calcutta?

Mr. BEMIS. I can not give you that, except as we hear from sources that almost every man is conversant with. It ranges from 12 to 18 cents per day. That is one reason why I say it would be impossible for us to retain the manufacture, in this country, of these bags without the duty.

Mr. GEAR. None of these double bags are made in this country?

Mr. BEMIS. No, sir.

Mr. GEAR. How many are imported?

Mr. BEMIS. About two-and-a-half or three million.

Mr. GEAR. For what are they used?

Mr. BEMIS. They are mostly used in the South for oil cakes, and are also used to a great extent for exporting oil.

Mr. GEAR. You cannot afford to make them, bec difference enough?

Mr. BEMIS. No, sir; there is no difference now. U they are "goods not otherwise provided for." They a pound.

Mr. GEAR. That should be 2½ cents?

Mr. BEMIS. Yes; that is three-eighths protection.

Mr. DALZELL. They ought to be added to the class

Mr. BEMIS. Yes, sir; as single and double warp ba

Mr. BURROWS. With a duty of 2⅜ would there be manufacturing them in this country?

Mr. BEMIS. Yes, sir. We probably could manufa Rocky Mountains nearly all of these bags. We do nc of those. Some centals come here. They are made cause the manufacturer gets a drawback.

Mr. GEAR. What is the consumption of millers' bag

Mr. BEMIS. It is about 20,000,000 I should thin amount is for export.

Mr. GEAR. About what proportion of those come f

Mr. BEMIS. None of those. We make them here, a drawback on exportation.

Mr. GEAR. Which employs a large amount of labor

Mr. BEMIS. Yes sir.

Mr. GEAR. About what amount of labor?

Mr. BEMIS. I could only give it to you in round

are about 18 large manufactories here, and I do not know how many small ones. The help that we employ comprises about 600 people in actual employment pretty nearly all the time. We have been between hay and grass between the February and incoming of the crop in June.

Mr. PAYNE. What wages do you pay?

Mr. BEMIS. Our girls get an average of $4.50 to $7.50 per week. Most of them work by piece work. Where we can, we work by piece-work, because we find that is the better way.

Mr. GEAR. How do these compare with the wages in Calcutta?

Mr. BEMIS. I could hardly tell you about Calcutta, but I could tell you about Dundee. Calcutta wages is 10 to 18 cents a day.

Mr. GEAR. What is it in Dundee?

Mr. BEMIS. Our wages just about double that of Dundee. I took special pains to ascertain that fact.

Mr. GEAR. Does your help produce more in this country than the Dundee people?

Mr. BEMIS. I think so.

Mr. GEAR. How much more?

Mr. BEMIS. About 10 per cent more.

Mr. GEAR. What makes this difference?

Mr. BEMIS. We have extra facilities for making this bag. We have been making it thirty-three years. We have every appliance for turning out a good quantity.

Mr. GEAR. You pay 10 per cent more, allowing for your increased facilities?

Mr. BEMIS. Yes, sir.

Mr. STEVENS. Are any of these bags made on the Western coast?

Mr. BEMIS. There are four factories, I think, on the Western coast. I think there is one at Portland and two or three in San Francisco; quite large factories.

Mr. TURNER. Could you itemize the cost of fabrics? Supposing the cost to be 100, what per centage is material, what per centage is labor, etc.

Mr. BEMIS. Well, now, a bag that would cost, to give a hasty answer——

Mr. TURNER. Can you give us the percentage on the basis over there?

Mr. BEMIS. I do not know.

Mr. TURNER. Then give it in wages here.

Mr. BEMIS. I think the bag that would cost about 70 cents, would cost us, manufactured here, something like 10 per cent in wages.

Mr. TURNER. The labor would be about 10 per cent?

Mr. BEMIS. The labor and all expenses would be something like 10 per cent. That would not include material.

Mr. TURNER. I am talking about labor, raw material, and all the elements of cost. I would like to have each item.

Mr. BEMIS. We will say 10 per cent. I was giving you the expenses of labor.

Mr. STEVENS. Ten per cent is what you actually pay for your labor?

Mr. BEMIS. I hardly think it would amount to that, without including all expenses. The items of expense of making a bag are numerous.

Mr. STEVENS. You say the labor of itself would be 10 per cent?

Mr. BEMIS. I gave you the wages of the operatives, without any expenses. I should say it would be about 7 per cent.

Mr. STEVENS. Then 10 per cent would cover earnings and all?

Mr. BEMIS. I think so.

Mr. TURNER. The rest of the price that would be put would represent the value of the plant, interest, capital, material, and your profit?

Mr. BEMIS. I do not think 10 per cent would include al

Mr. TURNER. I said, of the price which you put on t per cent represents the cost of the labor, and 7 per cent the and all the other elements of your price would represent interest on your capital, and such other expenses as you h in the completion of the plant, and your raw material?

Mr. BEMIS. Yes, sir.

Mr. TURNER. This is 2½ cents a pound upon the bags, be worth 7 per cent to the consumer.

Mr. BEMIS. That would depend entirely on the weight o

Mr. TURNER. How much would the bag weigh?

Mr. BEMIS. The cental bag weighs three-fourths of a p bags, over and above the cloth in them, would be three-fo That would be our protection, 0.27 cent.

Mr. TURNER. You mean over and above the cost of t terial?

Mr. BEMIS. The raw material is burlaps cloth.

Mr. TURNER. Are those bags extensively imported now

Mr. BEMIS. Yes, sir; we divide profits with the foreign the present bill we have three-forty-firsts. But we do no than one-fifth of the California trade. This side of the E tains we have more than three-fourths of it. I suppose we eighths of it this side of the Rocky Mountains.

Mr. TURNER. As to this drawback, does the miller wh bags get the drawback?

Mr. BEMIS. Yes, sir.

Mr. TURNER. What is the Treasury regulation about it?

Mr. BEMIS. If you are an importer and buy of John Smi of goods, if this is export business, he furnishes you with lars, the custom-house entries, the foreign price, duties paid thing accompanies that notice. We send the goods to th turers with the particulars. They make the bags, and over to the miller with these particulars. He also ships the a bill of lading, and the full particulars at the time, so th exported from Boston, or any other port of entry, the bro from the custom-house the drawback of 99 per cent of the on that particular exportation.

Mr. TURNER. Is there any drawback allowed on bags th ally imported ready-made?

Mr. BEMIS. No, sir.

Mr. TURNER. It is only on the American made bags th out of jute or burlaps imported?

Mr. BEMIS. That is all.

Mr. TURNER. Burlaps ready-made are regarded as your r on which drawbacks are paid?

Mr. BEMIS. Yes, sir.

Mr. TURNER. And when you sell bags to the Minneapo statement accompanies them showing the cost of the burla

Mr. BEMIS. Yes, sir.

Mr. TURNER. And the exporter, filing that statement, ge back?

Mr. BEMIS. Yes, sir.

Mr. TURNER. Which is 99 per cent of the cost of the ra

Mr. BEMIS. Yes, sir. Then there is brokers' charges.

Mr. TURNER. Whatever the Treasury gets on the burlaps from the exporter, which is at least 99 per cent, is refunded to the exporter, no matter how many hands the bags have passed through?

Mr. BEMIS. No, sir.

Mr. GEAR. What percentage of all bags used in this country are exported?

Mr. BEMIS. As to the Pacific coast, I can not say; but almost all the Pacific coast bags are exported. This side of the Rocky Mountains, where I speak of especially, I suppose that of the proportion that we make in our factories, which would be an average fully 30 per cent, are imported.

Mr. PAYNE. Of course, the miller ultimately gets the drawback.

Mr. BEMIS. Yes, sir; that makes that part of his burlaps practically free.

Mr. TURNER. Suppose a dealer from London or Liverpool should go to Minneapolis to buy wheat and put it in these sacks for foreign exportation, would he not be on the same footing as the American exporter? If the foreigner should buy his cargo in Minneapolis and put it in these sacks, would not he get the drawback just the same as the American exporter?

Mr. BEMIS. No, sir; the American miller gets the drawback. He makes the price accordingly. That is one of the items of cost.

Mr. TURNER. How does the Treasury Department distinguish between a foreign and an American exporter? Perhaps you do not understand my question.

Mr. BEMIS. The exporter is the man. He ships with the bill of lading and accompanying documents.

Mr. TURNER. It makes no difference whether he is from New York or London, does it?

Mr. BEMIS. He must be a manufacturer, and as soon as he ships the goods he is an exporter.

Mr. TURNER. The principal of the drawback consists in this consideration to the exporter, and is that he ought to be put on equal terms with other people who bring that same thing to market?

Mr. BEMIS. The foreign market; yes, sir. The competing market is the foreign market.

Mr. TURNER. It makes no difference how minute the drawback on each article is, I suppose it is collected as a rule?

Mr. BEMIS. No, sir; there are a great many little bills which go forward withoutt he drawback being refunded, because it is hardly worth the expense. It would not pay to get a drawback on 300 or 400 bags. The miller does not care for that. In a great many cases the drawback is not collected. A large cargo of 20 or 30 cars, which sometimes go out of Minneapolis, is subject to drawback and is always collected.

Mr. GEAR. This is a question strictly between the miller at Minneapolis and the Government?

Mr. BEMIS. Strictly so.

Mr. GEAR. A foreigner does not get any benefit from this and the Government does not know anything about him?

Mr. BEMIS. No, sir; he gets no benefit, except as the price may be made to him on the flour.

Mr. PAYNE. The miller sells at London prices?

Mr. BEMIS. He sells at the competing price.

Mr. PAYNE. He has competition, gets a drawback, and is enabled thereby to pay more to the farmer for his wheat, and in that way it benefits the farmer.

Mr. BEMIS. I suppose so; that would be the natural way.

JUTE, ETC.

(Schedule J).

BOSTON, *September 16, 1893.*

STATEMENT OF WILLIAM L. CHASE.

Permit me to give you briefly the facts bearing on jute goods, and more particularly burlaps.

Jute.—This fiber is grown in India. It is a very cheap fiber, first introduced about one hundred years ago, but its usefulness has led to increasing cultivation and exportation. Efforts have been made to cultivate it in Egypt and also in the Southern States of America, but climatic conditions, independent of labor, limit its profitable growth to India.

Introduction.—Its cheapness led to prejudice, and for a while there was little export demand. The Dundee (Scotland) spinners experimented with it. Although for years its principal use was when mixed with tow, gradually its peculiar value became recognized as the great cheap wrapper of the world.

Manufactured products.—Through the many stages jute passes in the manufacture there is need of much cheap labor. Some skilled labor is necessary, yet for the greater part women and children are sufficient. While the uses to which jute are put are manifold, the principal one is for making cloth commercially known as burlap in America. Burlaps are made mainly in (1) Scotland, whose chief manufacturing city, Dundee, is distinctly the burlap center, and (2) Calcutta, the home market of jute, and where labor is extraordinarily reasonable.

Uses.—Burlaps have an important and essential part in the development of many industries peculiar to this country, and are necessary both for our national products, sacking our flour, grain and seed crops, bagging our ores, salt, leather, and fertilizers, and also for covering our manufactures of domestic goods, cotton and woolen, and the mats for furniture, as well as manifold other ways known to you and which can be seen daily in any part of the country. The demand for burlaps grew along intimately with these developments of our national industries, and the duty was lowered from 25 per cent ad valorem under tariff of 1842 to 20 per cent under tariff of 1846, and reduced further to 15 per cent under tariff of 1857. As a war tax, under tariff acts of 1861, the duty was just doubled, bringing it to 30 per cent. At the last revision (1890) to prevent the fraud of undervaluation, the duty was made specific $1\frac{5}{8}$ cents a pound, substantially the equivalent of 30 per cent ad valorem.

Free jute.—Under the present tariff jute was put upon the free list, and properly as a raw material that was not grown in this country. Permit me right here to respectfully bring to your consideration the eminent fitness in a similar classification of burlaps, for they are the raw material of the bagmaker, the material out of which he makes bags (an advanced product), and likewise so are the floor-cloth foundations out of which are made the floor cloths of universal use.

American jute industries.—Under the stimulus of a highly protective tariff some jute mills were established in this country. Every consideration has been given them, and these jute mills had developed with a 20 per cent duty on jute, at the last revision they were accorded their raw material free. While all are as one in that jute is rightly on the

free list, what protection was given as an inducement to press the manufacture of burlaps here will be readily seen by comparing the specific duty on burlaps 1⅝ cents a pound, with the average price in Calcutta on the jute out of which burlaps are made, and for 1892–'93 this is just under 2¼ cents (2.23). Still no burlap industry was hatched out, and the mills consuming jute have kept on what they had been running upon previously. These mills may be divided into two classes: (1) Those making cotton bagging used to bale cotton, whose output is large. Cotton bagging is entirely different from burlap, and any tariff provision for one has no bearing whatever on the other. (2) Then there are several small mills that make jute twines, etc., and one that has run for some ten years on one width of floor-cloth foundation. Attempts to make burlaps (and bags) have failed signally, and now is restricted to a trivial production of convict labor in the prisons on the Pacific coast. There is no distinctively burlap mill in these United States, and not a dollar of capital committed to their manufacture.

Should burlaps be free? If not, why not? Under the American idea of protection no reason exists, as the retention of an excessive duty protects no American capital, benefits no American labor. Even a prohibitive tariff would not create a self-contained industry, because the raw material must be imported.

Tariff for revenue.—The importance of tariff for revenue is fully recognized. To my mind such revenue is properly levied on luxuries as far as practicable, and certainly should not increase the cost of living of the working class.

If there were hundreds of mill hands whose wages came from the manufacture of burlaps, it would be a question to be decided upon the broad ground of political economy and the ultimate beneficial result. Now, not a single operative would be thrown out of work by placing burlaps upon the free list. On the contrary, the remission of the duty would set free the equivalent, well, for our example, say 500,000 barrels of flour. The remission of the duty has a direct bearing upon such general national industries, that it would cheapen their price to the consumer per force.

Now, what are the products that would cost less if burlaps were free? Not a single luxury, but grain would be cheaper, salt, sugar, and other food products, and everything that is wrapped for transportation would be lessened at first cost.

While the farmer must reap the greater immediate benefit, the saving would eventually rest with the consumer.

The cheapening of the fertilizer bags necessary to renew cotton lands would appear in lower cost goods, and to my mind in no particular instance does the tariff cry out for revision more than on burlaps. It is hard to stand alone in my honest belief and firm conviction, but it is where I have stood for years. I fail to see under any broad guage theory of protection even, why burlaps should pay a duty. I fail to see why national industries should be taxed to protect no American capital, to bring hardship to the classes to whom the cheapening of food means a great deal, to handicap our foreign business even with the slight toll of a duty on the wrapper.

A moment's reflection on the far-reaching good that would accrue to the industries peculiartoour country from doing away with the hardship of this most unnecessary duty, I am convinced, will lead you to realize how important a work can be done at this time by a proper readjustment of the duty, or better still its entire abolition.

Permit me, sir, to trespass on your time a little further for considera-

tion and deeper probing into this question; I will confine myself strictly to burlaps.

The use of burlaps.—In 1879 there were imported into the United States some 55,000,000 yards of burlaps; importations this year will be close to 200,000,000 yards; these burlaps are a necessity, the purposes for which they are used and enumerated above, are natural industries. The movement of our crops, our domestic goods, our furniture, are not limited to this country, but we are reaching out to other lands, and every little that goes to help such pioneer work, goes to establish our country upon a permanently solid foundation.

Objections to revision.—Strong influences are at work to perpetuate the needless imposition of this unjust tax on burlaps. There are those who say free burlaps will displace the use of certain cotton goods. If a cheaper package made of jute will do the work of a costlier package made of cotton, it takes no great knowledge of political economy to sum the verdict. There are uses enough for cotton, and this objection seems to me too trivial to consider, but that it has been made. It is held that there are hundreds of poor people earning their living making bags; if there are hundreds of thousands of equally poor people contributing unduly to their support, the good of the many should silence the objection of the few, although this objection does not state the case fairly, for the toll is not paid by the many to keep the few in work, but the evil harks back to an antiquated war tax. The labor employed in making bags is of ordinary intelligence, shifting readily on and off the work, and the pay itself is little, if any more than could be got elsewhere. For my own part I believe the demand for various sizes of bags would center enough of the trade here to keep all busily employed even if the duty were removed, and the greater demand consequent on cheaper bags would stimulate bag making. Therefore to this objection that free burlaps would open the door for an increased competition by foreign bag houses, my only answer is that if the colossal protection bag making has had for years has failed to attract foreign competition, the removal of a heavy protection would seem to remove any possible inducement. I have no fear lest the American merchant can hold his own; and if he can not, it is time he gave way to those who can serve his country better.

Mistaken reasons against revision.—There are honest doubters who dread revision from what seem to me mistaken reasons. Such fears lest reducing or removing the duty on burlaps would lower the bars on other manufactured goods. My own belief is that in the press of greater industries and the consideration of what have appeared more important branches of business precisely what the tax on burlaps means has failed of such presentation as to be understood. On the weightier matters others will speak, and yet I earnestly beg for a little patience with burlaps. With every consideration for those who honestly differ with me in fundamental principles, I must protest against such a warping of equity so far as burlaps are concerned. All raw materials are equally open to exile on this score. Many high protectionists have cordially agreed with me in the eminent justice of having burlaps free, but have been unable to clear this hurdle. If it be necessary to leave a high tariff to protect the laborer in his hire, surely let us help him further by cheapening the necessities of his charmed existence. Other earnest protectionists fear that any change in the duty would be followed by an immediate and permanent rise in the foreign value that would nullify the duty removed. There might be some ground for such contention if the United States had to buy their burlaps in one market, or if

what they took more than offset what was required elsewhere, making them the one great buyer. While we must import our burlaps, protected or free, several markets are open to us, and although the American trade is keenly competed for, and is a great factor, it is only a factor among other factors, for we do not use more than 20 to 30 per cent of the burlaps produced. Perhaps enough has been said to temper the force of these several objections.

Bag making.—The capital invested in the bag business fairly compares with that utilized in the jute industries, and the time has come when it deserves recognition, especially as with their raw material free, that is, free burlaps, a national good would result to the many industries that would be directly benefitted. A slight duty might be left on bags, sufficient to protect the labor employed in their manufacture, a mere one-fourth cent a pound would amply cover this; as a bag maker, I do not think that the removal of this duty would ruin my business, and if it did ruin it, it is a business that has run long enough, and has courted ruin. I fail to see why what benefits my country, and will benefit my customers, must not ultimately be a benefit to myself. If it does not, the individual must give way. What the reduction suggested would mean to the Pacific Coast may be judged from the annual use there of from 30,000,000 to 40,000,000 cental bags to carry wheat and burlap abroad. The larger portion of this large quantity is imported from Calcutta. The cental bag weighs three-fourths pound, and, with a 2 cents per pound duty on bags, the duty per bag is 1½ cents. If burlaps are put on free list, with one-fourth or three-eighths cent per pound duty on foreign-made bags, the bag makers would be protected, and the saving to the American shipper of (one-fourth cent per pound equal three-sixteenths cent per bag; 2 cents per pound equal 1½ cents per bag for duty), say, 1¼ cents per bag, carries its own argument.

A revision fully justified.—We come back, then, to the need of a revision in the duty, and are face to face with the needless hardship of any duty whatever.

No return to the ad valorem leech.—While the American people suffer greatly from duty, and while it does not protect American capital, the burlap business is largely turned into the hands of foreign houses who have representatives here. It is not surprising that, at this time, when the tariff is again under revision, that these foreign houses should be anxious to have the specific duty changed to ad valorem duty. This you know is the position taken by some who have appeared before your honorable committee. Great as the risk of fraud is, I do not question the motive which has prompted this move. Highly reputable firms have strongly recommended this course.

I will content myself with simply calling attention to what it means quite apart from any possibility of fraud. The foreign houses set their valuation upon the goods "consigned" them, and while this may be checked up by an intelligent consul and made to accord with the market value, how is it when the market suddenly goes off? If the American consumers prefer to import their burlaps, and, with the foreign houses, are under contract for goods when the market breaks, the American who is obliged to pay duty upon the cost of his goods pays a duty upon a higher value than the foreign house, who quickly adjust themselves to the altered status, and have no scruples in doing so. Every market has its ups and downs, and on every down turn of the market the foreign houses are actually benefitted and the American actually injured.

The conflict between the relative merits of a specific and ad valorem duty could best be removed by putting burlaps upon the free list, where I hope they will be placed.

Resume.—I would respectfully recommend that in any revision of the tariff burlaps be placed upon the free list, because the highest sort of protection with free raw material has failed to develop their manufacture here; because placing them on the free list would not adversely affect any American industry or injure any American capital; because they are a necessity, not a luxury; because their use is essential to established industries that are national; because on the free list the agricultural interest would be greatly benefitted; because the cost of living would be cheapened.

For these and other cogent reasons, I respectfully recommend that burlaps be placed upon the free list.

I am, sir, very respectfully your obedient servant,

WM. L. CHASE.

Of H. & L. Chase, Boston; H. & L. Chase, St. Louis; M. I. Neahr & Co., Chicago, bag makers; Kansas City Bag, Kansas City; Victoria Mills, Newburyport, making bag goods.

LINEN AND JUTE.

(Schedule J.)

STATEMENT OF MR. H. D. COOPER, OF NEW YORK CITY, REPRESENTING THE LINEN AND THE JUTE TRADE.

FRIDAY, *September 15, 1893.*

Mr. CHAIRMAN: I would say that most of the committee who are here are merchants and dealers in linens, and that they also deal in *fabrics*, both linen and jute, which appear in schedule J. I h

pared a statement in regard to jute. I believe that my ideas coincide with the gentlemen who have appeared on this question.

Mr. Cooper read the following paper:

To the Honorable Ways and Means Committee:

I wish to make a few short statements in as few words as possible bearing principally on the tariff on jute and its manufactures, as contained in schedule J of the act of 1890. We believe in the principle of tariff for revenue, which coincides with one of the principles of the Democratic party. We are willing to contribute to that most important necessity—revenue—and see no reason why the goods in which we are interested should not bear their fair proportion. We do not believe in unequal taxation. It was a protest against unequal taxation which called this country into being. Any article which is exempted from taxation puts a heavier burden upon some other article or group, and is manifestly an unfair and unequal distribution.

Burlaps, a manufacture of jute, were imported into this country during the fiscal year ending June 30, 1892, the value amounting to $6,902,031. The duty on these goods collected was $1,971,651, a very important contribution to the revenues of the country. The average rate of duty was 28.57 per cent ad valorem. We believe in an ad valorem duty, as a specific duty on these goods, levied on the weight of the manufactured article, burlaps and bagging, produced considerable trouble and delay at the port of New York. As your committee is well aware, the enormous business of the port is congested because of lack of dock room and water-front facilities. Vessels are often compelled to cease unloading until the docks are cleared. This brings the shipping away from the docks very often to a standstill, and this trouble is aggravated by detention on the docks until merchandise which it is necessary to weigh has been weighed by the Government officials. The weights are occasionally matters of dispute, and it is always uncertain, to some extent, what the duty on these articles will amount in consequence. An ad valorem duty is more easily collected. There are few people engaged in the business of importing burlaps, and they are closely watched one by the other, so that should there be a disposition to take advantage of improper invoicing it is not possible to carry it through; and in fact the history of this business proves that underinvoicing is impossible, as the prices are easily determined and are public abroad and are cabled here for quotation. We protest against the duty on packing on imported merchandise as an unnecessary burden on the consumer. In all previous bills, where burlaps and bagging have paid a duty, an ad valorem duty has been charged. In the law previous to the one of 1890 there was a duty on jute butts and jute, and we are of the opinion that on the principle of tariff for revenue there is no good reason why these articles should be exempt from contributing their fair share to the revenues of the country. It is an important matter that any tariff bill should be as simple as possible, and should offer as few opportunities as possible for dishonest importers to evade the law to the detriment of the Government and honest importers alike. On this account we beg to suggest duties on the following lines. The wording is as careful as possible and as simple, in order that all doubts may be set aside at the outset, and that every importer and every collecting officer may have the facts clearly at his control from the outset. We would suggest the following duties:

	Per cent ad valorem.
Jute butts	5
Jute	10
Binding twines, composed in whole or part of istle or Tampico fiber, manila, sisal grass, or sunn	10
Yarn made of jute	15
Twines made of jute	20
Burlaps, bagging, and all woven fabric except such as may be suitable for bagging for cotton, composed of jute or hemp, of which jute or hemp, or either of them, shall be component material of chief value	25
Bagging for cotton and gunny cloth, composed of jute, or hemp, or jute butts	15
Bags for grain made of burlap and all other bags made of jute, jute butts, or hemp, including gunny bags	35
All manufactures of jute or hemp, or of which jute or hemp is a component material of chief value, not otherwise provided for	25

H. D. Cooper,
Representing the Linen and Jute Trade Association of New York City.

Mr. Cooper. I want to state that the gentlemen who have appeared here prefer to have one-half the present duty levied, and prefer 25 per cent should be levied on the article. We are being requested by the

steamship lines to remove our goods from the docks, and we have to wait, subjecting us to considerable delay and annoyance.

In my experience in this business I know but one attempt at undervaluation, and the matter became so public that all the other importers were constantly watching others, and it would be very difficult for an irregularity to creep in.

Whenever a new law is put into effect it requires a number of Treasury decisions before we find out where we stand. We would like to be protected against this man who wells his goods; therefore, I have drawn up a part of the schedule, which is very simple.

DRESSED FLAX.

(Paragraph 358.)

SATURDAY, *September 9, 1893.*

STATEMENT OF JOHN WILSON, FLAX-DRESSER, OF NEWARK, N. J.

Mr. CHAIRMAN: I am here in behalf of the flax-dressers to ask your honorable committee to retain the present duty upon dressed flax at 3 cents a pound. One of the reasons why we ask it is that it takes 3,200 pounds of raw flax to make one ton of dressed flax. Necessarily, the American manufacturer will have to pay $32 for that ton of dressed flax which he uses, and not $20, as some suppose. Flax always loses so much in the dressing.

The CHAIRMAN. He would have to pay $32 tariff upon the raw flax?

Mr. WILSON. Yes, sir; to produce one ton of dressed flax. The importer pays $60 a ton. As an actual fact there is only a difference of that between here and Great Britain. I speak of Great Britain because Great Britain pays the highest wages paid in the world, excepting this country There is only $28 actual protection duty to labor, instead of $60. There is where the mistake is made. I know it has occurred time after time. The cost of dressing a ton of flax in this country at 60 pounds per day for one man is $2 on an average. My wages are $13 a week. There are men who are paid less, but the average wages in this country are $2 a day for dressing 60 pounds; and therefore the cost of dressing a ton of flax is $66.66, and the cost of dressing a ton of flax in Great Britain is $36.66, which is the highest wages paid abroad. It is only $30 for dressing a ton of flax in Great Britain of 90 cents a day for 60 pounds. That leaves $36.66 for dressing flax as an addition to the wages between this country and Great Britain. The protective duty amounts to $28 to protect us against Great Britain.

Of course, I could appeal to France or Germany. In France they pay 60 cents a day for dressing 60 pounds. That is only $10.66 for dressing a ton of flax. We are more skillful in the work and get better wages. We are afraid of Great Britain, because they are more skilled. I have worked in France, and I know what they are paid. I have not had time to get from the Treasury the importations of dressed flax for the last year; but we know this, that the bother about the tariff has caused the American manufacturers to introduce dressed flax into his firm. The American manufacturer did not do it before, but contented himself with fighting the British manufacturer, and treated the working men in a proper manner. He used to buy all his flax hes

but he does not do that now. This is because he now and then buys flax from across the water, certain grades, cheaper and hackles it here. As a result of that, about 100 of us have been thrown of employment. Of course this would not have a great effect if these firms were not offshoots of Great Britain, which are only here for spinning purposes, and for finishing the dressed flax into thread or linen, as the case may be. They manufacture flax in the firms abroad.

I might mention one firm which employs 600 men in the old country and do not employ one man to work flax in this country. They import all their dressed line in a dressed state, and simply spin and finish it here. There are a few other firms also which do that. Of course I only mention one, which is sufficient.

In 1891 there were imported 1,696 tons of dressed line. If that had been dressed in this country it would have given employment to 400 men, which, at $2 a day, would be $250,000 in our pockets at the end of the year. At the same time our men are out of work. I know they are, and if that were not so I would not be here to-day to assure you that we are working short time. Our men have mostly got nothing to do and do not know when they will have. I have tried to state our case. I hope that you will not reduce the duty upon dressed flax.

Mr. McMILLIN. What is the duty now?

Mr. WILSON. $60, or 3 cents a pound.

Mr. McMILLIN. And the difference between the wages in this country and the wages abroad is $36?

Mr. WILSON. Yes, sir.

Mr. McMILLIN. Then there is $24 more than the entire wages paid?

Mr. WILSON. The protection is $28.

Mr. McMILLIN. $28 more than the entire difference?

Mr. WILSON. No; you are making a mistake. It takes 3,200 pounds of raw flax, and the actual duty is $28. You must bear that in mind. The difference is $26; you subtract $28 from $36, and that leaves $8 that the duty falls short of protecting our labor. Have I made myself understood?

Mr. PAYNE. Are you a workingman yourself?

Mr. WILSON. Certainly.

Mr. PAYNE. I see the Mills bill made flax free, that is, flax straw not hackled or dressed, and put a duty of $10 a ton on dressed line. How would that affect you laboring men?

Mr. WILSON. It would wipe us clean out; we could not get work at all.

Mr. McMILLIN. You say your principal competition is from England, although England pays higher wages than any other country abroad?

Mr. WILSON. Yes, sir; but I want you to understand that we are not afraid of the workingmen of Germany or France, because they are not skilled. If we were not skilled we would not get the wages we do get. There is not a Frenchman or a German hackling flax to-day in America.

Mr. TARSNEY. With the raw material placed on the free list and a duty of $10 on the manufactured article, that would give you $42 a ton advantage.

Mr. WILSON. How could it, when $36 represents the difference in wages? How could $10 a ton compensate us for $36?

Mr. TARSNEY. The duty is $36 a ton on raw flax. They pay $32 a ton on the flax which they produce to make one ton of dressed flax. This $10 a ton protection would be equivalent to $42 a ton on the dressed flax.

Mr. WILSON. No, sir.

Mr. TARSNEY. If you take off $32, that will leave you $10 against the manufactured product of the foreign importer.

Mr. WILSON. How can that be?

Mr. TARSNEY. I do not know how it is not. You get flax now imported for $32.

Mr. WILSON. The manufacturer pays that.

Mr. TARSNEY. If this were taken off it would relieve you to the extent of $32, would it not?

Mr. WILSON. It would not relieve us.

Mr. TARSNEY. Who would it relieve? Is not that now a burden upon somebody of $32?

Mr. WILSON (after a pause). I can not see the drift of your argument.

Mr. TARSNEY. Somebody now pays $32.

Mr. WILSON. Hold now till I gather my wits together and perhaps I may be able to answer you. Of course I am at a disadvantage with you gentlemen.

Mr. TARSNEY. Let me put it in this way——

Mr. WILSON. No, no; I understand your question, and that is what I want. It is plain to me at the present time, but the answer is not plain to me.

Mr. TARSNEY. If there were no tariff duties at all to protect you against this cheap labor of Europe, and we put a 10 per cent tariff on the manufactured article, you would have an advantage, would you not?

Mr. WILSON. That is common sense; you take the word out of my mouth.

Mr. TARSNEY. But you have got $60 a ton protection against the manufacturer; but you have to pay $32 on the raw material, and if you take that off it leaves $60 a ton to $10 for that advantage.

Mr. WILSON. I thank you for that, because it gives me time to collect my wits.

Mr. TARSNEY. I think they are pretty well collected.

Mr. WILSON. You separate the $60 per ton on dressed flax from raw flax.

Mr. TARSNEY. Taking that tax off the raw material, how much additional compensation would you need to make up the difference in the wages of labor?

Mr. WILSON. It would bring $36 a ton upon the flax.

Mr. TARSNEY. That is the entire labor cost?

Mr. WILSON. The difference is $36.

Mr. TARSNEY. Is the cost of production over $60 in labor?

Mr. WILSON. It is $66.66 in labor.

Mr. TARSNEY. What does a ton of flax sell for after it is manufactured?

Mr. WILSON. Some flax sells for 18 cents a pound and some for $1 a pound. For instance, the flax that we spin into linen for weaving your shirt or collar, we make the thread so close, would cost 75 cents to $1 a pound, and there is a class of flax used for sewing shoes which would only cost about 15 cents a pound.

Mr. TARSNEY. Then the manufactured flax which you have described sells on the market at $75 a ton?

Mr. WILSON. That is the very dearest.

Mr. TARSNEY. And you pay $32 a ton to bring in the raw material?

Mr. WILSON. To produce a ton.

Mr. MCMILLIN. You are a laboring man in this industry?

Mr. WILSON. Yes, sir.

Mr. McMILLIN. In 1883 the duty was $40 a ton?
Mr. WILSON. Yes, sir.
Mr. McMILLIN. Under the act of 1890 the duty was raised to $67.20 per ton.
Mr. WILSON. A ton of 2,240 pounds.
Mr. McMILLIN. There was 50 per cent added to the original tariff—or more than that?
Mr. WILSON. No, sir; it was only one-third.
Mr. McMILLIN. This is more than half of the original tax, which makes a third of the whole tax. When that was done, were your wages raised one-half?
Mr. WILSON. Undoubtedly not.
Mr. McMILLIN. Your wages were not raised any?
Mr. WILSON. No, sir.
Mr. McMILLIN. Has there been any reduction in wages?
Mr. WILSON. No, sir.
Mr. McMILLIN. Has it remained where it was?
Mr. WILSON. Yes, sir.
Mr. McMILLIN. When the tariff was raised from 40 to 67½, there was no increase in your wages?
Mr. WILSON. No, sir.
Mr. BRECKINRIDGE. Are you paid by the day or by the pound?
Mr. WILSON. By the pound.
Mr. BRECKINRIDGE. In England are they paid by the day or by the pound?
Mr. WILSON. In England they are paid by the pound.
Mr. BRECKINRIDGE. How much are you paid a pound?
Mr. WILSON. Sixty pounds constitutes a day's work.
Mr. BRECKINRIDGE. You may not work a whole day?
Mr. WILSON. Then we are paid according to the number of pounds we do at the end of the week.
Mr. BRECKINRIDGE. How do you class this flax? There are different classes, and do you get more for one kind than for another?
Mr. WILSON. No, sir. We soak the flax. For instance, there is a field of flax that might produce flax which would spin the very finest linen, and also flax that would only be fit for twine. We have to hackle and separate it according to the different grades into which it will spin.
Mr. BRECKINRIDGE. You get so much for every pound you work, regardless of its class?
Mr. WILSON. No, sir. There are some classes which go as low as 35 cents a pound; some classes as low as 45; some as low as 28; some as high as 60; some as high as 80, and some as high as 90 cents and $1. I am taking 60 as the average day's work.
Mr. BRECKINRIDGE. Will one man in different grades of work turn out the same quantity in every class?
Mr. WILSON. He will turn out six different sorts upon a table. He has a table or bench, and each bench is numbered, say, 15, 20, 25, 30, and so on up to 200. Some spin as high as 200.
Mr. BRECKINRIDGE. So when you get a bundle of undressed flax, and separate the work, you will turn out six different sets of completed flax?
Mr. WILSON. Of dressed flax.
Mr. BRECKINRIDGE. Are you paid the same rates per ton for each one of these classes?
Mr. WILSON. Yes, sir; we are supposed to earn $2 a day. I mean

that you have worked in France?

Mr. WILSON. Yes, sir; but I made less.

Mr. BRECKINRIDGE. And your cost of living was correspondingly less?

Mr. WILSON. Yes, sir.

Mr. MCMILLIN. What time are you working now, and has there been any reduction in the working time?

Mr. WILSON. We are reduced ten hours per week. We stop at 5 o'clock every night, and are off all day Saturday.

Mr. DALZELL. When did that go into effect?

Mr. WILSON. Wednesday week.

Mr. DALZELL. That is a recent reduction of time?

Mr. WILSON. Certainly.

Mr. DALZELL. It happened since this depression in business began?

Mr. WILSON. Yes, sir.

Mr. MCMILLIN. Is that the first reduction of time you have had?

Mr. WILSON. Yes, sir; it came with this depression.

Mr. GEAR. Do they work the same hours in England?

Mr. WILSON. We work less. We work fifty-five, and in England they work fifty-eight.

Mr. GEAR. How is it in France?

Mr. WILSON. In France the week is sixty hours.

DRESSED FLAX.

(Paragraph 338.)

PATERSON, N. J., *September 8, 1893.*

SIR: Having in view the revision of the present tariff laws now under your consideration, we, the undersigned, engaged in the occupation of flax dressing or hackling, beg respectfully to submit to your consideration our condition under the tariff laws as they now stand. Ninety per cent of the flax used in this country for the production of linen goods, tailors' and shoe threads, and fine twines is dressed or hackled in Europe, every pound of which would be hackled here, affording employment to thousands of hands, if we had the protection of a

cent, or $160 per ton, instead of the present rate of $60 per ton, or 7½ per cent, as this grade of flax at present is worth $800 per ton.

From our knowledge of the business and the article required to make the same we assert, without fear of successful contradiction, that this article can not be raised in this country, and should come in free of duty in the raw state, or unhackled.

The only imported flax that competes with the American article comes from the Baltic states. We therefore respectfully submit that the only duty of any service to us is the duty of 20 per cent. As a proof of this all the European annexes in this country get their flax hackled on the other side, thereby giving them a double advantage of the native firms. As a proof of this we refer you to Henluyson's, of Grafton, Mass., who do not employ a single hand on this side and employ thousands on the other side, in Johnston, Scotland.

This firm takes the position that tow is of no use to them, and that they have no machinery to work the same, and, therefore, it is utterly useless. There never was a greater untruth uttered; there is no article in the flax line in such demand; there is 40 per cent of all the carpet yarns of the country made from flax tow, and a greater percentage would be used if the article could be had.

Therefore, as the representatives of the flax and linen industries of the country, we respectfully request you to put at least $20 a ton on tow and $160 a ton on hackled flax.

Your attention to above will ever be gratefully remembered by your humble petitioners.

JOHN STEPHEN,
WILLIAM MAGUIRE,
JAMES GRIBBIN,
WILLIAM BRIDGES,
GEORGE MCKERLEY,
Committee.

BURLAPS.

(Paragraph 364.)

NEW YORK, *September 20, 1893.*

SIRS: I have been interested as an importer and dealer in bags, bagging, burlaps, and jute goods for the past nine years. I beg to submit as follows:

Burlaps.—In rough figures, there are about 50,000 bales of burlap imported into this country every year, and practically not a yard manufactured here, although we have free raw jute, for the reasons that we have not the machinery here for manufacturing it, although undoubtedly machinery would be brought here if manufacturers were put in a position to make some money, and the difference in the price of labor adjusted in this country and in Dundee or Calcutta, where the majority of the goods is manufactured.

The present duty on the majority of burlap is 1⅝ cents per pound. Unless this duty is increased to somewhere in the neighborhood of 2⅛ to 2¼ cents per pound it will be impossible under the present prices of labor here to compete against the manufacturers abroad. If the duty were increased to that amount it would be a question of only a few years before there would be employment given here to 100,000 people making burlap; provided, of course, that the raw material were still

allowed to come free. This is the only benefit that could result from any increased duty.

On the other hand, as the duty is at present it is merely a tax on the consumer of the goods, which makes him as economical as possible when using the same. If the duty were taken off entirely or reduced it would not hurt the manufacturers in this country, as there are none, and would benefit the consumer by reducing the prices of the burlap and the millions of bags which are now made from it, and would possibly in a slight way also reduce the prices for flour, grain, coffee, etc., which are packed in the bags. As an estimate I should say possibly one-half to three-fourths cent per bushel on grain, if there were no duty on burlap, from which bags are made.

If the duty therefore is not increased to a point to enable goods to be manufactured in this country, I beg to give it as my opinion that the interests of all concerned would be benefited by reducing the duty or abolishing it entirely.

New bags.—There are imported into the United States yearly probably 40,000,000 to 50,000,000 new bags. The major part of them go to the Pacific coast and come from Calcutta. The general number imported there is 30,000,000 yearly. These bags compete with our own local manufacture, although they pay 2 cents per pound duty, and our manufacturers are kept from making them by the fact that this duty is not enough as long as there is a duty on the burlap of 1⅛ cents per pound.

We should have the making of these bags, and the only way that we can get it is by taking off the entire duty on burlap or the greater part of it, as above spoken of, or if the duty on burlap is left as it is to increase the duty on new bags.

I would be in favor of leaving the duty on new bags as it is and taking the duty off the burlap.

Second-hand bags.—In the neighborhood of 50,000,000 second-hand bags of all kinds are imported into the United States from foreign countries every year. Some of these bags are admitted free of duty under certain regulations prescribed by the Secretary of the Treasury. Others are admitted free upon refunding to the Government the amount of drawback which was allowed on them, at the time they were exported, the drawback consisting of the major part of the duty, which the foreign material from which these bags were made had paid to the United States when it was imported, and the balance pay a duty of 2 cents per pound.

The Government has been largely cheated out of duties, of $100,000 or $200,000 per year at least, for many years, evasion or carelessness of importers and officials, by not proper means of recording the drawbacks paid, and the distinguish between certain grades of bags, to the annoy honorable importers and the enriching of a few; and al present method of admitting second-hand bags in these va very unsatisfactory.

Now, I have endeavored to im,ress upon the custom-h the custom house investigating committee, and every one have come in contact this fact, that to my mind the prope to do was to make all of our bags in America, and I stron the entire abolishment of any laws or regulations permitti of second-hand bags, no matter whether they were origin from this country or not, to come back here free of duty, ing of a duty of even more than 2 cents per pound, say,

pound on every second-hand bag that comes here, with a view of keeping them out entirely.

If this were done it would be necessary to make perhaps 40,000,000 of these bags in the United States yearly, and this would give employment to a vast number of people and be of benefit to the industry all the way through; and it is very easy to be seen that there are in the present method of admitting second-hand bags, in various ways, loop holes for a further continuance of "mistakes," which it will be almost impossible to avoid.

To sum up, if the duty on new burlap is reduced to a very low figure or taken off entirely, and the duty on new bags or second-hand bags is either kept as it is at present or increased, the result will be that everybody using the goods will be pleased, and we will manufacture the majority of our new and second hand bags here ourselves, and the industry would be greatly benefited all around, and thousands more of people will be given employment. In other words, as burlap, not being manufactured here at present, is practically to us a raw material, let us have that raw material free.

Very respectfully,

JAMES ROSS COLLINS.

BURLAPS.

Burlaps (jute cloth for grain bags, flour bags, etc., also for packing purposes and floor oilcloth foundations) is an article that might be placed on the free list, because it is not manufactured here. The abolition of duty on same would hurt no established industry, but would reduce the cost to consumers—agriculturists, etc. The present duty on burlaps is therefor a tax unnecessary, and therefore, as President Cleveland has well said, "unjust taxation." Enormous quantities of burlaps are used in making bags for the grain crops of California, Washington, and Oregon. The goods are imported from India direct to San Francisco. I am not able to supply statistics of the Pacific coast importations, but I know the quantity of burlap bags used there is very large. Calcutta, India, and Dundee, Scotland, are the two great centers where burlaps are manufactured, and from whence imported into this country. In the Eastern, Southern, Middle, and Northwestern States enormous quantities of burlaps are used for grain bags, peanut bags, ore and phosphate bags, flour bags, etc., and for floor oilcloth foundations. The importations last year from Great Britain and India (not including shipments from India to the Pacific coast), amounted to 167,640,029 yards, and during 1891 they amounted to 190,066,400 yards.

I have stated that no burlaps are made in this country. That is not absolutely correct, for there is one concern, the Chelsea mill, Brooklyn, makes a small quantity of one width of burlaps for floor oilcloth; it is but a very small quantity, however, so small that it could not fully supply the wants of a single floor-cloth factory of any extent. I understand the principal productions of the Chelsea mill are jute or hemp carpets and binders' twine. In imported burlaps there are about twenty different widths and about twenty different weights. The Chelsea mill has been making that one grade of burlaps for fully ten years; it has not made any other grade of burlaps, nor have other factories been started to make such goods, because, I believe, they can not compete with the cheap labor of India and Scotland.

In California I understand a very small quantity of jute is manufactured into burlap at some of the jails, but the quantity produced there and by the Chelsea mill here is so infinitely small compared with the quantity imported that we may truthfully say burlap manufacture is not an established industry here, and not likely ever to be developed. As burlap is a necessary article for transporting grain, produce, and packing purposes, it therefore seems unnecessary and unjust to impose a duty (tax) on same. Competition and rivalry is so keen among burlap sellers here, and also bag manufacturers and floor oilcloth manufacturers, that if the duty was removed the reduced cost would be promptly given to the consumers, for it is they who eventually pay the duty. Most of the floor-cloth manufacturers import their burlap (a raw material for them) direct from Dundee, and pay 40 per cent duty on same. The amount they pay to United States for duty, floor oilcloth manufacturers charge their customers, say, for instance, Marshall Field & Co., who in turn charge the jobbers and retail sellers, and they in turn charge the consumers. If that duty of 40 per cent was removed the householder who uses oilcloth would save the amount of duty (tax).

In the McKinley bill, as it passed the House and as reported by the Senate Finance Committee, the rates of duty on burlaps were as follows: "Burlaps, not exceeding 60 inches in width, 1⅝ cents per pound; exceeding 60 inches in width, 2 cents per pound." But, on the 4th of September, 1890, Senator Aldrich moved to strike out the words "exceeding 60 inches in width, 2 cents per pound." At first glance that seems to indicate that the duty on all burlaps would be 1⅝ cents per pound (equal to about 30 per cent ad valorem, 2 cents per pound was equal to about 35 per cent ad valorem), and no doubt most of the Senators thought so when they agreed to it, as certainly most burlap importers and floor-cloth manufacturers thought when they heard with pleasure of the change. It was a piece of sharpness and deceit, however, for, after it was passed, we discovered that as no duty was specially provided for burlaps exceeding 60 inches in width, they had to come in under paragraph 356, at 40 per cent ad valorem, equal to fully 2¼ cents per pound. I know of floor oilcloth manufacturers who were so deceived that when their attention was drawn to it they would not believe it until, in answer to their telegram to Washington, their Representative confirmed it. They were very much surprised and disgusted, but being loyal Republicans they kept quiet.

In addressing this communication to your committee I express only my individual opinion for your consideration in regard to duty on burlaps. That article is practically a raw material to floor oilcloth manufacturers and bag manufacturers; they certainly can not get domestic goods for their trade, and have to import and pay duty on the article of burlaps. There are numerous bag factories for manufacturing bags (from imported burlaps) all over this country, also many large and important floor oilcloth factories. These two industries, therefore, should be protected by a certain amount of duty on the articles they turn out, viz: Bags and floor oilcloths, but burlaps, if placed on the free list, would be welcomed with delight by all consumers.

Yours, respectfully,

WM. B. CUNNINGHAM.

NEW YORK, *August 30, 1893.*

BURLAPS.

(Paragraph 364.)

SIR: Since I sent you my statement I have obtained some information about California importations of jute goods. The annual importations by California are reported as follows, viz., about 30,000,000 burlap bags, and burlap cloth equal to about 3,000,000 bags from Calcutta.

I notice from published reports of hearings that no one has asked for any advance in burlap duties, but those who have appeared before your committee have asked for reductions, viz, Messrs. Bemis, Biddle, and Cooper.

The floor oilcloth manufacturers I notice asked for an increase of duty on cheap oilcloths because the present duty does not afford them enough protection against shipments of cheap oilcloths from foreign manufacturers. The foreign oilcloths are made on free burlaps, whereas American oilcloth manufacturers have to pay 40 per cent duty on their burlaps. If that duty was abolished or largely reduced it would be equal to so much additional saving (protection) to American manufacturers of floor oilcloths that they would not need any increase of present tariff on floor oilcloths, to protect them. With free burlaps and present tariff on floor oilcloths, it seems to me American oilcloth manufacturers would be amply protected.

Yours, respectfully,

WM. B. CUNNINGHAM.

BURLAPS.

(Paragraph 364.)

233 STATE STREET,
Boston, September 16, 1893.

SIR: Permit me to say that any urgency comes from the simple fact that the duty on burlaps is excessive, a needless hardship, and only exists as a tribute to the American idea of protection—that, although a large manufacturer, I recognize that the needs of the nation properly take precedence of a personal interest; that I fail to see why what benefits the whole country and those who do business with me should not be for my ultimate good—while, if my personal interests are subservient to the good of the many, I am enough of an American to feel they should not handicap other and greater interests.

The gravest misconception exists about burlaps, and heretofore the party in power has quite failed to grasp the equities in the case. At this time, therefore, I have a natural desire to have the question decided upon its merits.

Truly, yours,

WM. L. CHASE.

BURLAPS.

(Paragraph 364.)

CALIFORNIA COTTON MILLS COMPANY,
East Oakland, Cal., September 12, 1893.

SIR: It is not England or the other Continental nations of Europe we have to fear most as competitors in the United States markets—it is Calcutta. The Coolie labor of India is what we have to fear. Wages there are so low compared with either this country or England, Calcutta jute manufactories are gradually driving Great Britain out of the markets of the world in jute products, and to-day Dundee, the great jute manufacturing center of Europe, is half idle. Free trade there leaves that country no protection.

We have prepared a comparative statement of cost of manufacturing jute in this country and in Calcutta, by which you can see the measure of protection we need here to be able to pay reasonable wages. Although an operator in this country can do relatively far more work than an operator in Calcutta on the same class of machines, yet the difference in wages is so great we could not compete here without a large measure of protection. We have based our calculations on 10½ ounce 40-inch burlaps. As this is the leading jute fabric sold in all markets and taken as a basis for all prices and quotations, the cost of all other jute fabrics would be figured in proportion.

It will be observed that 142 persons in California will do as much work in ten days as 231 in Calcutta will do in the same time. Still a yard of cloth made in Calcutta can be sold landed in San Francisco for a fraction over 3 cents a yard, whereas the cloth made here will cost nearly 4¼ cents.

We hope you will use your influence to do what you can to protect our industry here. We have now been running our mills largely on jute goods for nearly ten years and our profits at the best have never been more than a bare interest on the capital invested. We have never employed Chinese. We pay our help as you will see from the inclosed statement fair wages, and so far the employés are contented but are greatly concerned least the protection we now enjoy against Calcutta competition should be reduced.

Yours, respectfully,

WM. RUTHERFORD,
Superintendent California Cotton Mills.

Cost of manufacturing 100,000 yards 10.5-ounce 40-inch burlaps in California.

[To make 100,000 yards 10½-ounce 40-inch burlaps would require 66,500 pounds of raw jute (33¼ tons) and the labor of 142 persons, working 10 days, 10 hours per day.]

33¼ tons of raw jute, at $60 per ton		$1,995.00
2 batchers (men), at $2 per day each	$40.00	
2 softeners, at $1.75 per day each	35.00	
8 cardtenders, at $1 per day each	80.00	
12 drawing-frame hands, at $1 per day each	120.00	
2 roving hands, at $1 per day each	20.00	
2 roving helpers, at 75 cents per day each	15.00	
12 spinners, at $1.25 per day each	150.00	
12 doffers, at 60 cents per day each	72.00	
8 spoolers, at $1 per day each	80.00	
1 band sewer, at $1 per day	10.00	
1 oiler, at $1.25 per day	12.50	
2 truck boys, at 75 cents per day each	15.00	
1 machinist, at $3 per day	30.00	
1 spinning foreman, at $3 per day	30.00	
1 second hand, at $1.50 per day	15.00	

1 watchman, at $2.25 per day	$22.50	
9 cop winders, at $1.17 per day each	105.30	
3 beamers, at $2 per day each	60.00	
3 warpers, at $1.25 per day each	37.50	
46 weavers, at $1.25 per day each	575.00	
3 loom fixers, at $2.25 per day each	67.50	
2 finishers, at $2 per day each	40.00	
1 measurer, at $2 per day	20.00	
2 cloth folders, at $2.25 per day each	45.00	
2 packers, at $2.25 per day each	45.00	
1 stamping and shipping clerk, at $4 per day	40.00	
1 oiler and bell fastener, at $1.75 per day	17.50	
1 foreman weaver, at $3 per day	30.00	
		$1,829.80
Power, oil, taxes, insurance, depreciation of plant and business, expenses, and interest for 10 days		420.00
		4,244.80

Cost of 100,000 yards in California, $4,244.80; cost per yard, 4.24 cents.

Cost of manufacturing 100,000 yards 10.5-ounce 40-inch burlaps in Calcutta and laying it down in California.

[To make 100,000 yards standard 10½-ounce 40-inch burlaps would require 66,500 pounds of jute (33¼ tons) and labor of 231 operators in Calcutta, working 10 days and 10 hours per day.]

	Rupees.	Rupees.
33¼ tons raw jute, at 150 rupees per ton		4,987.80
4 men batching, at 1 rupee per day	40.00	
4 helpers, at 12 annas per day	30.00	
12 card tenders, at 12 annas per day	108.00	
18 drawing-frame hands, at 12 annas per day	135.00	
4 roving-frame hands, at 12 annas per day	30.00	
20 spinners, at 12 annas per day	150.00	
16 doffers, at 8 annas per day	80.00	
12 spoolers, at 12 annas per day	90.00	
12 cop winders, at 12 annas per day	90.00	
2 oilers and band sewers, at 1 rupee per day	20.00	
2 spare hands, at 12 annas per day	15.00	
1 skilled machinist, at 8 rupees per day	80.00	
1 skilled helper, at 2 rupees per day	20.00	
1 overseer spinning, at 8 rupees per day	80.00	
1 skilled helper, at 2 rupees per day	20.00	
1 messenger, at 1 rupee per day	10.00	
4 warp beamers, at 14 annas per day	35.00	
3 warp beamers' helpers, at 12 annas per day	22.80	
90 weavers, at 14 annas per day	780.80	
4 loom fixers, at 1 rupee 2 annas per day	45.00	
3 cloth finishers, at 1 rupee per day	30.00	
2 inspectors and measurers, at 1 rupee per day	20.00	
3 cloth folders, at 1 rupee per day	30.00	
3 cloth packers, at 1 rupee per day	30.00	
1 oiler, at 1 rupee per day	10.00	
1 band fixer, at 14 annas per day	8.12	
1 skilled machinist, weaver, at 8 rupees per day	80.00	
1 foreman, weaver and finisher, at 8 rupees per day	80.00	
1 second hand, at 4 rupees per day	40.00	
1 bookkeeper, at 6 rupees per day	60.00	
1 pay clerk, at 8 rupees per day	80.00	
1 engineer, at 8 rupees per day	80.00	
		2,429.20
Power, oil, insurance, taxes, interest, depreciation, repairs, etc., 119 rupees per day		1,190.00
Freight, commission, insurance, brokerage, etc., from Calcutta to San Francisco		1,220.00
		7,827.00

Counting the rupee equal to 31 cents United States money, that would make the total cost of 100,000 yards laid down in San Francisco $3,046.49, or cost per yard, 3.04 cents.

JUTE AND BURLAPS.

(Paragraph 504.)

CHELSEA JUTE MILLS,
New York, September 18, 1893.

Jute.—The average annual consumption of jute in the United States, according to the report of W. S. Daland of January 1, 1893, was, for the years 1890, 1891, and 1892, 136,248 bales. The annual average for the six years previous was 90,690 bales, showing an increase of about 50 per cent. It is practically impossible to get the increased production of manufactured goods from year to year in this country, but the figures given of the consumption of raw jute show very accurately the total increase in the manufactured products of all kinds when taken for a series of years.

Yarns.—From the Dundee trade reports of January 15, 1890, and January 11, 1893, we learn that the average annual exportation of jute yarns from Dundee to the United States for the four years from 1887 to 1890, inclusive, was 13,877,300 pounds, and that the average for the years 1891 and 1892 was 3,429,750 pounds, or a decrease of 9,447,550 pounds per year, which difference has been wholly supplied by the increase of the American output, the consumption of yarns in this country having increased rather than decreased during the past two years. A broker in yarns informed us last week that, quality for quality, yarns were cheaper to-day in this market than ever before in the last twenty-five years, during which time he has been actively engaged in their sale.

The increase in the production of the American mills since the passage of the last tariff bill has been due to the fact that raw jute was placed by it on the free list. Before that time the jute-yarn market of the country was virtually controlled by the Dundee spinners. The former duty of 20 per cent on raw jute was of itself a muc than it would appear upon its face. If this duty had b 16,000 bales of jute which we purchased at different tim past twelve months it would have averaged less than one per pound, and on some purchases have been under thre cent per pound, so that free raw material to this indust of a very small percentage of the cost of even the cheape ucts. We, therefore, believe we are stating the case c when we say that the retention of the present duty on yar in order to maintain the trade which the American mills which is given to them by the small saving which was eff ing jute upon the free list.

Carpets.—Jute or "hemp" carpets, as they are someti the trade, are not extensively manufactured in this coun the demand for the cheaper grades is entirely met by th of our own mills. We would ask that the present spec cents per square yard be retained and that it be not cha valorem rate because the manufacturer is now enabled to what foreign competition he must meet, and so far it ha to the detriment of the consumer, as the prices of jute car tured in this county have steadily declined for the past

The report of the chief of the Bureau of Statistics of merce and Navigation for the year ending June 30, 1892, p an average ad valorem duty of 18.54 per cent on jute carp

present rate of 6 cents per square yard. This ad valorem duty of 18.54 per cent is based upon carpets of the higher grades only, upon which much labor is expended, and therefore appears correspondingly small. These are produced, if at all in this country, only to a limited extent and have a very small sale.

Burlap.—The extension of the jute industry, if at all, must be in the increased manufacture of cloth, as the yarn consumption is practically supplied by our own mills. The natural development of the industry is, first, in the manufacture of yarn, and after that has become efficient the manufacturing of cloth. If it is to be increased so as to supply the wants of our own people we would ask that the present duty of 1⅝ cents per pound on burlap under 60 inches in width be retained. The Bemis Brothers Bag Company, of Boston, who are, perhaps, the largest users of burlap in United States if not in the world, have asked you for a reduction of one-eighth cent per pound. As the same company thought 1⅝ cents fair three years ago we are unable to see why there should be any change in the rate, even to so limited an extent, as the conditions are the same now as then.

The present duty of 40 per cent on goods over 60 inches in width we believe is fair, because they are very much more expensive to manufacture than the narrow width. For example, one of the machines used in finishing them costs $10,000, and the difference between the duty of 1⅝ cents per pound on the narrower and 40 per cent ad valorem on the wider is only commensurate with their increased cost.

We would call your attention to the fact that the percentage of the cost of manufacture of a pound of jute yarn is larger than that in yarns of the same size made out of other products; that is to say, the cost of manufacture of jute yarns to-day worth 6 cents per pound is fully 50 per cent of their value. In flax yarns of the same size, for illustration, the cost of manufacture is not to exceed 33 per cent of their value, and the same rule, we are informed, will apply to cotton yarns. We call your attention to this fact because it is often lost sight of on account of the low selling price of jute products, and people, therefore, are led to believe that the percentage of cost is also correspondingly low.

We ask you for the retention of the present duties upon jute products for the following reasons:

(1) Because of the difference in wages between Dundee, Calcutta, and America. We pay two and one-quarter times as much for making the same product in America as they do in Dundee, and many times as much as is paid in Calcutta. This ratio of wages between the United States and Dundee is taken from the reports of superintendents of different mills in both Dundee and the United States, and fairly represents the difference between the cost of labor for a pound of the same product in both places, as the Scotch worker is in general as efficient as our own, and the quantity of product of a fixed quality is determined by the machine itself, and not by the hand that operates it.

(2) The cost of our mills here, so far as we can learn, is more than double what it is in Scotland. We are informed that a mill can there be erected at a cost of from 55 to 60 cents per square foot. We know that a modern mill of the best construction and insurance equipment costs twice as much in this country. This increased cost means also greatly increase of taxes, as you know.

(3) Because the machinery is not made here and is imported under a large tariff impost.

(4) Because the freight rates from Calcutta, which recently have been as low as $3⅛ per ton, and from Dundee are about one-sixth of a cent

per pound, afford no protection, as we are obliged to pay a corresponding rate upon raw material.

(5) Because it is a well known fact to all who are conversant with the jute manufacturing that it has been conducted in this country at a minimum profit on account of both domestic and foreign competition and with an unusually large capital at risk in proportion to the value of the output, so that any lower duties could be balanced only by a reduction of wages.

(6) Because the price of jute products has decreased in cost to the consumer during the past three years as a result of home competition, until to-day a first-class jute carpet yarn, for illustration, is sold at 5 cents per pound.

It is hardly necessary to call your attention to the fact that the tariff on jute products has not been increased in either of the last two bills.

Submitting this statement to your careful and thoughtful consideration I remain, in behalf of the Chelsea Jute Mills of New York, Delphin Jute Mills of New Jersey, Allentown Spinning Company of Pennsylvania.

Yours, very respectfully,

FRANK L. BABBOTT.

We also wish to state that the jute mills are not at present and never have been in a trust, and to add that jute is the upper part of the jute plant of which jute butts are the stubble. Cotton bagging is made entirely of jute butts and not of jute.

The following companies manufacture jute in some form: Chelsea Jute Mills, New York; Dolphin Jute Mills, Paterson, N.J.; Planet Mills, Brooklyn, N. Y.; Tucker and Carter Cordage Company, Brooklyn, N. Y.; Allentown Spinning Company, Allentown lyn, N. Y.; Travers Brothers, New York; Company, Philadelphia, Pa.; John T. Bailey Finley & Co., Philadelphia, Pa.; Wilmington Wilmington, Del.; Thomas Jackson & Co., & Edwards, Paterson, N. J.; Pearson Cor Mass.; Ludlow Manufacturing Company, L Jute Mills, San Francisco, Cal.; San Quentin Lamont & Robinson, Paterson, N. J.; Plymo

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GRAIN BAGS.

(Paragraph 865.)

NEW Y

SIR: I would call your attention to the fact discussion in the last few months concerning importation of second-hand grain bags. This by the committee appointed by Secretary Car have found that some bags which were enter make and were dutiable. This question has shape every few months since the passage of vious to the passage of the McKinley act the exported from the United States with Americ drawback had been obtained should be ent McKinley act provides that only such bags

the United States and were exported without having obtained drawback should be admitted free. After a bag has been filled with grain and lain abroad for several years it is impossible, upon its reimportation into the United States and examination, for any examiner or expert to state whether the bag is of foreign or American manufacture, as the process of manufacturing is identical in both countries. I therefore would submit to your committee that it would be to the best interests of the country at large and to the bag trade in general to have this state of affairs done away with, and think that an equal duty should be imposed upon all second-hand bags, whether of foreign or domestic manufacture. This would prevent any attempt of evasion of the custom-house laws and would greatly simplify the work of the custom-house examiners, as all goods would then be weighed on the docks, as has been the case with all other bags with the exception of the above mentioned, whereas these have to go to public stores.

The present rate of duty is 2 cents per pound. If the committee is in favor of reducing this duty to a uniform rate of duty of 1 cent per pound on all second-hand bags, this would much facilitate the collections of duty on all second-hand bags, would start up other importations and thus increase the amount collected therefor, and would be sufficient protection to the home trade, also would thus satisfy all parties concerned, from the people down.

Yours, respectfully,

PERCY KENT.

GRAIN BAGS.

(Paragraph 365.)

NEW YORK, *September 11, 1893.*

SIR: We present for consideration of your committee the question of free entry of bags of foreign origin, and which, on being imported, pay a duty of 2 cents per pound and are used for the exportation of American products. About 30,000,000 of such bags, known as "centals," and used principally in exporting wheat from California and other Pacific ports, are imported and pay duty, and it is a question under present tariff whether they are entitled to free entry on being returned. Under former tariffs of 1875 and 1883 they were, viz: Article 381. "And bags other than of American manufacture, in which grain shall have been actually exported from the United States, returned empty, are entitled to admission free of duties," etc. If these bags are to be on the free list the word "other" should be restored. The bags made on the Pacific coast receive drawback to full amount of duty paid on the imported cloth (less 1 per cent), and they are made in size and sewing to imitate the Calcutta bags, so that it has made complications in returning these bags for duty; so close is the distinction, our appraiser returning American made bags as dutiable, while in other ports none is made and they are all returned free, under Treasury Regulations, October 20, 1890. Rather than have this discrimination it would be better to make all bags imported into the United States dutiable, whether exported with American produce or not, and not allow any drawback, as the cloth is already manufactured, the only process being to cut the size and run a thread with a sewing machine, costing about 25 cents per 100, or one-fourth cent per bag, and getting a refund on certain kinds of 1½ cents per bag.

Present tariff of 2 cents per pound is excessive, l
importing heavy bags. Former war tariff was 40 p
burlaps, 30 per cent.

With free jute, and full amount of duty returne
burlaps, the bag manufacturers are especially favor

Respectfully,

H. F

HYDRAULIC HOSE.

(Paragraph 368.)

EUREKA FIRE HOS
New York, S

We, the Eureka Fire Hose Company of New Yor
facturers of fire hose in the United States, beg that
sideration to the following statements regarding the
linen hydraulic hose.

We are not among those manufacturers who requi
tariff to protect our interests, for were it possible to
ule the raw material required for the class of goo
linen hose yarns, from the finished product of manu
of great magnitude, and permit us to have free raw
that the advantage of having the markets of the w
our linen hose would more than compensate us for
duties upon goods of this class; but as such a divisio
it is necessary that tariff duties shall be maintained
will permit them to remain in such manner as wil
protection to the linen-hose trade in the home mark
a positive injury to it, as they were before the enact
tariff.

Prior to the adoption of the present tariff an ad
equal per cent was levied upon both linen yarns a
so that the only protection afforded to manufactur
this country was simply the duty upon the cost of
hose alone, even if it had been possible to prevent
hose fabrics; but, as we endeavored to show in a le
eral years ago to the Hon. Daniel Manning, the
Treasury, such hose was almost invariably undervalu
who has had a practical experience of nearly twenty
facture of linen hose, believes that it is entirely imp
classify such hose without hydraulic tests in each in
yarns require a finishing process that is to a certain
themselves, it being one that causes them to swell
in ordinary yarns, in order that the hose may becon
wet, and experience has taught the writer that e
best manufacturers of such yarns make yarn to a sa
the same result when woven into hose as hose ma
sample will give, and it is equally difficult to judg
of linen hose without hydraulic test.

In one instance some linen hose sold by a competi
was of such excellent appearance that the writer
acknowledge that it was the best appearing hose
seen, but a hydraulic test proved it to be almost if
for protective purposes, and the manufacturers ce

If it is impossible for expert yarn and hose manufacturers to judge of the quality of yarns and hose without hydraulic tests, how much more impossible is it for a customs appraiser to properly judge of its value by a mere superficial examination.

The foregoing arguments in a little different form were presented, as before stated, to the honorable Secretary of the Treasury, and, before the adoption of the present tariff act, to your honorable predecessors; and as a result a specific duty was substituted for the former ad valorem duty, and such a schedule has given perfect satisfaction to the manufacturers of this country.

The proper amount of such specific duty was gotten by adding cost of manufacture of better qualities of hose to the cost of the material contained therein when laid down duty free in this country, and then making a specific duty that would equal an ad valorem rate upon that cost if taxed at the same per cent as the raw material it contained. The tariff upon the better class of hose is, therefore, almost precisely the same as if it were taxed at the ad valorem rate, and is perfectly fair to the Government, manufacturer, importer, and consumer, but it may be argued that such ad valorem rate is almost prohibitive upon the lower qualities of hose, and to a certain extent such is the case, but owing to the keenness of competition among domestic manufacturers such hose to-day is selling at the lowest price it has ever sold. Even if the present form of specific duty did prohibit the importation of the lower qualities of linen hydraulic hose entirely, we take the ground that in doing so it would be conferring a public benefit, for we assert—and we are the largest manufacturers of the lower as well as the better grade of linen hydraulic hose in the country—that it would tend toward the preservation of property from fire if not only the importation but the manufacture and sale of the poorest grades of hose were suppressed.

This company makes large quantities of such hose, because foreign manufacturers produced a demand for it, though we have never produced as low qualities as were formerly imported, but it is sold without the company's name upon it, and we never recommend it for fire protective purposes, except to say that it is good of its kind.

It is used only to satisfy the eyes of insurance surveyors, but its use is now prohibited by the associated mutual insurance companies in buildings insured by them.

We therefore pray, that in any revision of the tariff that your honorable committee may recommend, that the present form of a specific duty may be retained, even if subjected to a reduction, in proportion to any reduction you may make in the ad valorem rate imposed upon linen yarns, and we respectfully offer as our grounds for such request the reasons hereinbefore named, viz:

That it is impossible to justly appraise values of hydraulic hose without hydraulic test; that the present specific duty upon hose is no more than an equable ad valorem rate would amount to upon better grades of hose; and upon inferior grades of hose price in this country has not been increased, and so far as it has tended to prohibit importation of worthless hose it has conferred a benefit upon the property interests of the country.

Yours, very truly,

EUREKA FIRE HOSE CO.,
B. L. STOWE,
Treasurer.

OILCLOTH AND LINOLEUM.

(Paragraph 369.)

THURSDAY, *September 7, 1893.*

STATEMENT OF MR. GEORGE W. BLABON.

Mr. CHAIRMAN: I represent the George W. Blabon Company, Philadelphia, manufacturers of floor oilcloth and linoleum. The present duty on our goods of value of 25 cents per square yard and under is 40 per cent ad valorem. The duty on oilcloth and linoleum per square yard above 25 cents, I think, is 15 cents a yard specific and 30 per cent ad valorem. In classifying these two prices or values, the protection or tariff on the goods below 25 cents is rather small or limited. It is a pretty hard scratch for the manufacturer to compete with the foreigner on goods valued at less than 25 cents with the 40 per cent duty, but above 25 cents the tariff on that class of goods is rather stiff. The output of these goods, I suppose, three-fourths of floor covering made of oilcloth and linoleum is made and sold for less than 25 cents a square yard. The reason this protection or duty is required is, our labor probably is about 33 per cent of the cost of making a yard of oilcloth, and at least on any figures you make the price we pay for our labor is fully 25 per cent more than paid in Scotland or anywhere. I know myself some of the men employed in our works have received 30 shillings per week on the other side, and we pay them $15 per week, just double. But I should say the average of wages was about 50 per cent more. Remember we import all the foundation of our goods; there is very little of it made in this country, jute burlaps, and the duty on those goods is 40 per cent for over 60 inches wide. The oilcloth manufacturer uses very few goods under 60 inches. I believe the duty on jute burlaps less than 60 inches wide is 30 per cent, but on what is used in oilcloth and linoleum manufactories the duty is 40 per cent. We are satisfied with that, but we have a pretty hard fight on this low price goods as that is three-quarters of our output, but we will be satisfied to have the tariff remain as it is; but if you make any change at all, what would suit me would be to make it a specific duty on those goods, as the goods are often undervalued; one invoice is made for paying duty and another one for the purchaser. I would like the duty on goods valued at 25 cents and under at about 30 per cent and 5 cents a square yard, and I would be satisfied for goods valued at over 25 cents a yard to be 10 cents a square yard and 30 per cent, as it is now.

The difference in making goods in this country and the other side is altogether in the labor and material. For instance, white lead, which enters to a certain extent in the manufacture of these goods, is worth about 6½ cents here and about 3¾ cents in London. In regard to burlaps, I could not suggest or ask to have the duty much reduced on them, because if the duty was 20 per cent on burlaps I do not think it would bring another yard into the country. We do not order goods until we want them, and no one else does. Those are my views, Mr. Chairman, and I do not wish to detain the committee. That is about the idea I have in regard to it, and I will retire. Mr. Potter is here, who represents the Potter Company, of Philadelphia, and I would like to hear him, and possibly the committee would.

The CHAIRMAN. Do you use machinery very largely?

Mr. BLABON. Yes, sir; we do.

The CHAIRMAN. Have there been improvements in the machinery in the last few years?

Mr. BLABON. Very much, Mr. Chairman.

The CHAIRMAN. In the last year or two?

Mr. BLABON. It does not go back so far; within the last five years, you may say.

The CHAIRMAN. Have not printing machines for linoleum been invented and patented?

Mr. BLABON. But we still run in our place over 100 hand printers. There are a good many goods to which you can not apply machinery. For instance, wide sheets 4 yards wide, and some of it have large borders, and for such things of that kind you would have to keep a pretty large number of hands. If it had not been within the last three or four years the cheapening of goods by the machinery to which you refer and the tariff on goods valued at less than 25 cents a yard, we could not have competed or succeeded at all in making goods against the foreign manufacturers.

The CHAIRMAN. You have better machinery than the foreign manufacturers?

Mr. BLABON. I do not know that we have better machinery. I think that most of them over there at this time are supplied with modern processes of machinery.

The CHAIRMAN. But in regard to these steam printers you are using now, is that used abroad also?

Mr. BLABON. They have machinery over there, Mr. Chairman, but I do not know that they are as perfect and do their work as well as the American goods; a great many goods I have seen from the other side are imperfect samples. In fact there are a great many goods made in Scotland that could not be sold in this country at any price. Those people take and use them, but we could not do anything with them; but the price of their goods is very low, very low.

Mr. BURROWS. How do prices compare with prices of five or ten years ago?

Mr. BLABON. They are very much less.

Mr. BURROWS. How much.

Mr. BLABON. I should say 25 to 40 per cent. The competition with the American manufacturers is very severe, sir. Without regard to calling in foreign competitors they are ready to take each other's heads off here.

Mr. BRECKINRIDGE. How do they compare with the foreign prices?

Mr. BLABON. Our prices here? Well, if you take the duties we pay and the difference in labor from the price they get on the other side on the continent, their prices are less than ours.

Mr. BRECKINRIDGE. I am not speaking of the causes, I am speaking about facts. You take a given article. What is the difference in price on any given article here and abroad?

Mr. BLABON. I do not think the price now would vary but a very slight shadow. The fact is that it is almost impossible to get a correct importation from works on the other side.

Mr. BRECKINRIDGE. Do you export any of your goods?

Mr. BLABON. No, sir; we do not. We send a few goods to Sydney and Melbourne, Australia, and we formerly had a large trade with Canada, but that has been cut off by the Canadian duties.

Mr. BRECKINRIDGE. Have you not been able to secure some trade under the reciprocity treaties?

Mr. BLABON. No, sir; we have not.

Mr. BRECKINRIDGE. How long have you been using this steam printing machine?

Mr. BLABON. I think our house adopted it about three or four years ago, four years may be.

Mr. GEAR. Is it not a fact that in tropical climates like the countries where we have reciprocity treaties they do not use covering for floors?

Mr. BLABON. I do not think they do much.

Mr. HOPKINS. What led to the adoption of these steam printing machines of which you speak; was it the manufacturers of this country—where you could see improvements could be made by machinery?

Mr. BLABON. We did not take our patents from Maj. McKinley, but we were tryng to make as many yards as possible for a dollar.

Mr. HOPKINS. You spoke, in answer to the chairman, about certain machines you used. That is a patent machine, is it not?

Mr. BLABON. That is rather an open question. It was patented, but there has been some little change; and it is pretty hard a patent in this country which will hold water. I have pa price for a patent and pretty soon I found I bought it market.

Mr. TARSNEY. You say the labor cost is 30 per cent?

Mr. BLABON. Of our goods; yes, I believe it is.

Mr. TARSNEY. Is there anything but the difference American and European labor which you need protectio

Mr. BLABON. Are not we obliged to import every yard for those goods and pay 40 per cent duty? When we 18,000 or 20,000 yards a day and the difference between Scotland and the one here is 40 per cent, and when th landed——

Mr. TARSNEY. Then you want relief from the tariff on rial?

Mr. BLABON. No, sir; not a particle, I dont. Not a bi

Mr. BRECKINRIDGE. Do you import all of your burla

Mr. BLABON. Yes, sir; all except about a cart load a y factory in Brooklyn or somewhere.

Mr. BRECKINRIDGE. When you are getting material t tory, what part of the cost of your material is repre burlaps?

Mr. BLABON. I understand—the groundwork, the have not got that figured out, but it is on low-price good very low. We make a very good floor cloth for about 1

Mr. BRECKINRIDGE. I am not asking the cost.

Mr. BLABON. You ask what portion of it enters into i

Mr. BRECKINRIDGE. I will illustrate what I want in t pose, for instance, you take 100, which represents wh material which you have to assemble to make your lin per cent would be paid for burlaps, 25 per cent for wh cent—of course you understand I do not give it exact oil, and so on. I want to find the proportion, the percen different materials enter into the composition of your cl

Mr. BLABON. Well, sir, that is a question that with I could not answer, because the foundation of the cloth and sold for 13 or 14 cents a square yard costs as much made into floor cloth and sold for 40 cents a square yard

Mr. GEAR. Do you use the same weight of burlaps burlap?

Mr. BLABON. 10½ to 12 ounces.

Mr. BRECKINRIDGE. I would be glad if you would take some grade of your goods and give us in per cent the different products which goes into the composition.

Mr. PAYNE. I think he was about to tell what was in the 13½-cent cloth.

Mr. GEAR. What is the ordinary 10-ounce burlap worth?

Mr. BLABON. It costs, delivered here, about 6 cents.

Mr. BRECKINRIDGE. That 6 cents represents what?

Mr. BLABON. The foundation of burlap would cost about 6 cents a square yard.

Mr. BRECKINRIDGE. That would be the cost of the burlap?

Mr. BLABON. Yes, sir.

Mr. BRECKINRIDGE. How much now of white lead?

Mr. BLABON. In the cloth that is sold for 12 or 13 cents a yard I would not call in very much white lead.

Mr. BRECKINRIDGE. What would you have besides the burlaps?

Mr. BLABON. The other details I could hardly discuss with you gentlemen; we manufacture——

Mr. BRECKINRIDGE. Well, take the better article, say something in which you have to use all these materials, if you are willing to answer it?

Mr. BLABON. Yes, sir; we are obliged to use them, and when you take burlap costing 6 cents a square yard, or a little below that, and manufacture it, and get it into a nice marketable shape we would not cover that very heavy with lead, at about 6½ cents a pound, because this cloth, you know, weighs 2½ to 3 pounds a square yard.

Mr. BRECKINRIDGE. You have to sell pretty cheap, I suppose, to get out on that. What is the jobbing price of cloth you would consider a good article, 30 cents?

Mr. BLABON. Well, a good fair cloth, a yard and a half, two, two and a half yards, for a good fair cloth I suppose the jobbing price of it is about 30 cents. Mr. Potter, how much is that?

Mr. POTTER. It will average about 30 cents.

Mr. BLABON. Mr. Potter is in the same business.

Mr. BRECKINRIDGE. Taking an article which is even better than that, worth 50 cents a yard, how much?

Mr. BLABON. Are you referring to oilcloth or linoleum; we are manufacturers of both.

Mr. BRECKINRIDGE. I will have to rely upon you to make a distinction, but we will take oilcloth, an article that will sell for, say 50 cents. Now, to assemble the materials which go into it, what percentage of what you pay out for material will be expended for—I am not asking you what you pay out, but what percentage—the burlaps?

Mr. BLABON. In the first place 50-cent oilcloth has entirely passed out of date; we have no floor oilcloth that is jobbed and sold at that price.

Mr. BRECKINRIDGE. Then I will come down to the one you gave at 30 cents. What per cent would you spend for material—would be paid for burlaps in making 30-cent oilcloth.

Mr. BLABON. In the 30-cent oilcloth the foundation would cost the same as to make the 13 or 14 cent oil cloth by using the 10½-ounce burlap, which would cost 6 cents.

Mr. BRECKINRIDGE. How many pounds of white lead do you put in that cloth?

Mr. BLABON. That is only used in painting and coloring, and I am

not prepared to give the cost in a piece of floor oilcloth in regard to painting and coloring.

Mr. BRECKINRIDGE. What material do you use in making the 30-cent oilcloth?

Mr. BLABON. Well, we use ocher and whiting and various other sweet things that we think will make good oilcloth.

Mr. BRECKINRIDGE. I would like to have you enumerate them all if you can?

Mr. BLABON. Really, I hardly think I could go into th may slip on some things I am not posted on.

Mr. BRECKINRIDGE. I think you know what I want per cent of what you pay for material—that is, the pe article composing the material—and I would like for that to us.

Mr. BLABON. For instance, I go to work and take oc lead and colors, etc., and there would be a recapitula would have to have the whole thing right before you. it in my head, and I could not give you that in a satisfac would be of any use to you.

Mr. BRECKINRIDGE. You can have that made out at t you not?

Mr. BLABON. We have it there.

Mr. BRECKINRIDGE. Will you kindly have that made o it to us?

Mr. BLABON. I can.

Mr. BRECKINRIDGE. I will be very much obliged to y

Mr. BLABON. You want a statement of the different art into a 30-cent piece of oilcloth, whether domestic, importe

Mr. BRECKINRIDGE. Yes, sir; and the per cent of the article is.

Mr. BLABON. Well, I am afraid when I make up the and give the cost of the material you will think we are stay in the business. I would like for you to hear M represents Thomas Potter, Sons & Co., who have large v delphia, and who represents them in this business.

THE GEO. W. BLABON CO
Philadelphia, Septe

SIR: I desire to correct a statement that I made befor tee yesterday. I stated the difference in wages, paid factories of floor oilcloth and linoleum, was 50 per cent manufacturers paid in Europe. Since my return home, matter careful consideration, I find we are paying for t 66⅔ per cent more than is paid in England, and 78⅓ per in Scotland.

Yours, respectfully,

GEO. W

OIL CLOTH.

(Paragraph 349.)

STATEMENT OF MR. H. A POTTER, OF THOMAS POTTER & SONS CO.

Mr. CHAIRMAN: All I care to state is that as far as cerned, we feel that the present duty about covers the di cost of labor here and abroad, and we are satisfied with th

change that possibly could be made would be on goods below 25 per cent from an ad valorem to a specific duty in order to avoid undervaluation.

Now, in regard to the question Mr. Breckinridge asked Mr. Blabon about, and that is what proportion of burlaps, labor, and other materials enter into a piece of oilcloth. Taking six months' business and averaging the different qualities, labor is about one-third, burlaps one-third, and other materials about one-third.

Mr. WHITING. That would make the 30-cent oilcloth cost about 18 cents?

Mr. POTTER. No; I say taking the average of all the goods, goods that sell from 30 cents down to 13, the average would be in the neighborhood of 20 cents through six months, the average price of the whole product.

Mr. WHITING. The labor cost is——

Mr. POTTER. About one-third.

Mr. WHITING. That means the labor in the factory, or superintendent and other expenses?

Mr. POTTER. That means the actual manual labor which is put on the goods in manufacturing them. It does not count selling goods, or bookkeepers or anything of that kind; it is the actual labor on a piece of goods.

Mr. TARSNEY. What specific duty do you want on the grade under 25 cents?

Mr. POTTER. Oh, anything at all which will equalize the matter.

Mr. TARSNEY. What would you suggest?

Mr. POTTER. Five cents a yard, and 30 per cent was what was suggested by Mr. Blabon.

Mr. TARSNEY. The labor cost here is 30 per cent of the value of the product?

Mr. POTTER. In that neighborhood.

Mr. TARSNEY. And 50 per cent higher than it is in Europe?

Mr. POTTER. Yes, sir.

Mr. TARSNEY. That would make the entire labor cost over there 15 per cent and here 30 per cent, or a difference of 15 per cent, and you want a specific duty of 5 cents and an ad valorem duty of 30 per cent?

Mr. POTTER. Then there was another thing, the matter of burlaps; we have to pay 40 per cent on what we import. There are not enough made in this country to-day to keep my place running two days in the week.

Mr. TARSNEY. But the entire burlap cost is less than 6 cents a yard?

Mr. POTTER. It amounts to considerable.

Mr. TARSNEY. There is only a duty of 40 per cent on that?

Mr. POTTER. All we ask is, to have the difference in wages equalized and we are satisfied, and it is no more than that now on the lower grade of goods.

Mr. TARSNEY. Does not 15 per cent ad valorem equalize it?

Mr. POTTER. No; it never would.

Mr. TARSNEY. You say wages are double what they are over on the other side, and the entire labor cost here is only 30 per cent?

Mr. POTTER. Well, I know 40 per cent ad valorem will not do it now, and I am satisfied that the 15 would not.

Mr. PAYNE. Are these goods imported now?

Mr. POTTER. Yes, sir.

Mr. PAYNE. Largely so?

Mr. POTTER. There is quite a large quantity of them being imported

under 25 cents, 40 per cent ad valorem. They are being imported mostly undervalued, and we have been trying to get at it, but can not do it.

Mr. PAYNE. They import them so as to compete with your prices?

Mr. POTTER. Oh, yes.

Mr. WHITING. Forty per cent keeps the foreign goods out?

Mr. POTTER. The cheaper grades are here under the 40 per cent duty.

Mr. WHITING. Floor oilcloth?

Mr. POTTER. Yes, sir.

Mr. WHITING. Where?

Mr. POTTER. Yes, sir; go to Baltimore and you can buy all you want. There is a concern down there which imports largely.

Mr. WHITING. It is not sold through the country largely?

Mr. POTTER. Yes, sir; in every city in the United States.

Mr. DALZELL. Except St. Claire.

Mr. WHITING. I have never seen any in New York, or Chicago, or Detroit.

Mr. POTTER. I can show it to you.

Mr. WHITING. They are not largely sold?

Mr. POTTER. Yes, sir; they are largely sold throughout all the States.

Mr. WHITING. Foreign floor oilcloth?

Mr. POTTER. Yes, sir.

Mr. WHITING. Well, our tables will show?

Mr. POTTER. Yes, sir; they will show.

Mr. WHITING. Was the price raised by the McKinley bill?

Mr. POTTER. No, sir; it has been declining ever since.

Mr. TURNER. To what extent do your goods enter into consumption; how does the consumption of your goods compare with that of imported goods?

Mr. POTTER. The consumption of our goods, that is how does our product——

Mr. TURNER. How do the relative quantities compare in regard to consumption?

Mr. POTTER. Well, that is pretty hard to tell exactly. I have not looked at the tables of the imports of these goods.

Mr. TURNER. These goods are coming into use by the plain people throughout the country, and that is the direction in which they are going?

Mr. POTTER. Yes, sir; it is only the poorer class of goods which are imported.

Mr. TURNER. How is it with linoleum?

Mr. POTTER. The same is true of linoleum and the poorer cloths.

Mr. TURNER. What do these goods cost a plain man?

Mr. POTTER. What goods do you refer to?

Mr. TURNER. The linoleum?

Mr. POTTER. There are four or five different grades.

Mr. TURNER. I mean those that enter into common consumption with the plain people of the country?

Mr. POTTER. I say that is pretty hard to say, because of the different qualities.

Mr. TURNER. How do prices range in these goods?

Mr. POTTER. To the consumer; I do not sell to the consumer.

Mr. TURNER. Well, how do your prices range to jobbers?

Mr. POTTER. Our prices to jobbers in linoleum; I suppose the

age price on linoleum would be in the neighborhood of—let me see—would be in the neighborhood of 32½ to 35 cents, somewhere along there a square yard.

Mr. WHITING. What is the lowest price of linoleum?

Mr. POTTER. It is about 25 or 26 cents.

Mr. BLABON. 27½ cents.

Mr. WHITING. Very few poor people use linoleum.

OIL CLOTH.

(Paragraph 369.)

STATEMENT OF MR. JOHN H. PRESTON, OF BALTIMORE.

Mr. CHAIRMAN: I would request that these gentlemen who have just spoken remain here, for if I should make any errors in reply to what I have heard from them they may set me right.

Mr. DALZELL. You are on the other side?

Mr. PRESTON. Yes, sir.

Mr. BURROWS. You are not on the other side in that you represent the foreigners?

Mr. PRESTON. No, sir; but I appear here at the invitation of the chairman, and at the request of the Secretary of the Treasury, and in behalf of 60-odd millions of people opposed to 16 men who have grown rich from the plunder squeezed from the pockets of the people.

Mr. REED. You represent the odd million?

Mr. PRESTON. Yes, sir; I represent the odd million.

Mr. DALZELL. Do I understand you come here at the instance of the Secretary of the Treasury?

Mr. PRESTON. I laid some facts in relation to these matters before him—that was the Acting Secretary, Mr. Hamlin; Mr. Carlisle was absent—and he asked me if I would appear before this committee when the question of the tariff came up, and I told him I would do so; and I addressed a note to the chairman and said I would be happy to appear here at any day——

Mr. DALZELL. I just wanted to know whether you came at your own instance here or at the instance of the Secretary of the Treasury?

Mr. PRESTON. You may say either way you please.

Mr. DALZELL. You put it your own way a moment ago.

Mr. PRESTON. I repeat again when I called the attention of the Secretary of the Treasury to the wrong done the people of this country by reason of the tariff act of 1890, and after examining the papers and going over them with me, he said he would be very glad for me to appear before the Committee on Ways and Means when this question came up before them. I do not wish to misrepresent my position here, and I think I shall be able to answer satisfactorily any questions which you gentlemen may see fit to put, even some of those questions which the venerable gentleman, whose record I shall lay before you of a success in this particular business, of the triumphs he has made in manufacture, of the enormous wealth that his corporation has accumulated, could not answer, and many other particular facts. I can show you what the cost of production is. I can establish by evidence which is familiar to all of you gentlemen, that the ingredients almost without exception that go into the manufacture of these articles are produced in this

country cheaper than abroad. In many instances they are exported to foreign countries, and in this instance, where there is a tariff imposed upon articles which go into the manufacture of these things, that these very things are produced in this country and the tariff is of no use and the Government gets no benefit from it.

Mr. REED. If you do it I think you will do what the entire Democratic Congressmen have been trying to without success.

Mr. PRESTON. I beg your pardon, I did not catch what you said.

Mr. REED. I do not think I can repeat it exactly again.

Mr. PRESTON. I regret that I did not hear it, because all you say comes with such force always.

The CHAIRMAN. We have not succeeded with Mr. Reed, and we have succeeded in the country.

Mr. PRESTON. I have arranged this article with the assistance of a colleague of mine to whom I am indebted for a vast amount of information which I shall endeavor to present to you gentlemen, and I will be in this position that in what I fail to satisfy you gentlemen upon orally I will leave with you documents and testimony to pre in the first instance.

Mr. BURROWS. Did you give the name of your coll

Mr. PRESTON. No, I did not. He is a merchant; l in manufacturing, and he is a man well informed an me the benefit of his experience.

Mr. BURROWS. I did not know but what you gav I did not hear it.

Mr. PRESTON. I will give it if it is required. He is does not care to appear in this matter. He is frie many manufacturers of these articles, and he is a m retain a kindly relation towards them, and he deems appear before you inasmuch as he has made no applic and what I have said was simply for the purpose of such portion of merit or whatever there may be in tl did not feel myself justly entitled to.

Now, then, gentlemen, what I set out to show is th duties on imports, to increase the revenue, and br people——

Mr. DALZELL. Are you in this business?

Mr. PRESTON. No, sir; I am a lawyer by professio

Mr. DALZELL. You are not in the business?

Mr. PRESTON. No, sir; but lawyers can sometim from competent witnesses, and when established by timony they come with as much force——

Mr. DALZELL. Then you are going to tell us not wl what you gathered from others, is that right?

Mr. PRESTON. Yes, sir; to a certain extent that is

Mr. DALZELL. Hearsay testimony?

Mr. BURROWS. Is that article prepared by yoursel else.

Mr. PRESTON. By myself.

Mr. BURROWS. Who assisted you?

Mr. PRESTON. Nobody.

Mr. BURROWS. Where did you get your informatio

Mr. PRESTON. I got it from papers and books, wh you, trade papers, etc.

Mr. BURROWS. I would like to have the name of th

Mr. PRESTON. He is Mr. J. Crawford Lyon.

Mr. BURROWS. His residence?

Mr. PRESTON. Baltimore City, and his place of business is number 6 South street?

Mr. DALZELL. Why could he not come here and let us cross-examine him?

Mr. LYON. He is here.

Mr. PRESTON. Now, as a matter of course many of the members of this committee belong to the same profession as myself, and I appeal to you to permit me to proceed with my speech as I have arranged, and allow me to answer after I finish.

Mr. GEAR. One question before you begin. Are you a paid attorney in this case?

Mr. PRESTON. Well, in one sense I am; my expenses are paid to come here.

Mr. GEAR. Do you get a fee?

Mr. PRESTON. Well, I shall get a fee, and besides——

Mr. GEAR. That is all I want to know.

Mr. REED (to Mr. Gear). You distrust the profession of the gentlemen.

Mr. GEAR. I have had a good deal of experience.

The CHAIRMAN. Of course the gentlemen on the other side who have spoken have had no interest in the matter?

Mr. PRESTON. Mr. Blabon has not paid me anything for it, and if I were on the market in a case of this kind I think that you gentlemen would have considered it wise for Mr. Blabon and Mr. Potter both to have paid me a very enormous retainer, a thousand fold more, gentlemen, than I expect to get.

Mr. HOPKINS. You put a moderate estimate on your abilities.

Mr. PRESTON. I believe it is always considered fair by the profession to break down a lawyer when you can, but I come before you, gentlemen, on this occasion, and appear before you, as I have said, in behalf of all the consumers who are not interested in the manufacture of these products. I come here before you, the grand national inquest of our country——

Mr. REED. The coroner's inquest.

Mr. PRESTON. (Continued.) And the suffrages of your constituents and the pledges you made to them——

Mr. BRECKINRIDGE. The chairman suggests that you will proceed with your statement.

Mr. REED. Omitting the exordium and peroration.

The CHAIRMAN. Just come to the facts.

Mr. HOPKINS. I think that the gentleman wishes to present his facts with a little ornamentation.

The CHAIRMAN. I hope he will be permitted to do so.

Mr. PRESTON. Now, gentlemen, this is the paper I furnished the Secretary of the Treasury, and I have taken out the original which I put in, which I will supplement when I leave here by some printed documents which will go even further than the original itself to confirm the position I take here, and that is, that this industry of oilcloth and linoleum has been protected out of all due proportion to the interest of the people at large and directly to the disadvantage of the revenues of the Government and exclusively in the interest of the manufacturers. I propose to show you, gentlemen—if you will permit me to digress a little—I propose to show there has been but sixteen manufacturers in this particular industry in this country, and these sixteen manufacturers all deem it necessary for you, gentlemen, to give them additional protection

so that they may be able to pay their hands liberal wages and be able to live in the meantime. I have here to show you how unprofitable the business has been. I am here to show you, gentlemen, something in addition to what Mr. Potter failed to show you, and that is how many goods were imported of this particular manufacturing industry. I am here to show you, gentlemen, how much may be imported if you, gentlemen, will deal justly and fairly between the manufacturer and the people, and if I fail to demonstrate to you the position I have taken, it is because of my utter inability to present a plain and simple proposition in dollars and cents.

Now, what is my proposition? Simply a tariff to secure the largest public revenue with the smallest private gain. Paragraph 369 of the tariff act imposes on "oil cloth and linoleum for floors and for all other oil cloths (except silk oil cloths) and on water proof cloth, not especially provided for, costing 25 cents per square yard or less, 40 per cent ad valorem. Costing over 25 cents per square yard, 15 cents per square yard, and 30 per centum ad valorem." This is the law as it stands to-day under the act of 1890, and the amendment I propose for that law is——

Mr. HOPKINS. How does the law differ from the law on the statute book prior to that time?

Mr. PRESTON. I think it was about the same as it w on high grades. There is a volume I believe here wl to you.

Mr. HOPKINS. I did not know but that you had stuc that you would know?

Mr. PRESTON. 40 per cent below 25 cents per squar lection, but I do not want to mistake it. I have g tariff, but——

Mr. PAYNE. We have seen that book before.

Mr. HOPKINS. I supposed the expert knew?

Mr. PRESTON. Well, I informed myself on that sub did not think that it was necessary to know what it w thought it was much more important to show what th now, and still more important to show you gentlemen in 1894.

Mr. HOPKINS. I supposed you would get at that 1 the law had been and the prices of this article during the prices were before the duty was put on and what been since.

Mr. PRESTON. When I conclude my argument, whe regular course of my remarks, I will find it, but it wi little time to turn to it and find it, and it will prolong

Mr. REED. I think it will have that effect, and I thi not answer the question.

Mr. PRESTON. I thank you for the suggestion; I ha plished one point.

Mr. REED. I think it is pretty evident that the Treasury has accomplished one point; he is a very sh

Mr. PRESTON. I wish he had a shrewder represents

Mr. REED. I wish he had.

Mr. PRESTON. I wish he had, too; but we will s through.

The CHAIRMAN. Give us the facts now.

Mr. PRESTON. Now, this is what I propose in place

(369), and I will go on and show you gentlemen what the result of this change will be. Paragraph 369 as proposed should read as follows:

Oil cloths for floors, stamped, painted, or printed, including linoleum, corticine, cork carpet, figured or plain, and all other oilcloths (except silk oilcloths) and water-proof cloth, not specially provided for in this act, costing 25 cents per square yard or less, ten per centum ad valorem; valued above 25 cents per square yard, 40 per cent ad valorem.

That is my proposition. As regards the rate of duty on oil cloth valued above 25 per cent, I have no objection to it; I make no objection to its remaining at the present rate of 40 per cent duty. Now, by making that change, gentlemen, it will effect this result or expected result. The duty in 1892, for the last year that the Government received from importations at the present rate, the duty was $128,929. That is what the Government received last year on the importations amounting to some $267,465. So, if there should be anything required to show why these gentlemen have been so fortunate and so successful in this manufacturing industry, I think it would be that very fact that last year the importation amounted to the moderate sum of $267,465, on which the duty paid was $128,929. Now, if this duty is reduced as proposed to 10 per cent on this lower grade of oilcloth, costing 25 cents or less, we estimate that the increase for the coming year, for the first year, will be, instead of $128,000, $388,789 or more, making the increase the first year $257,858 revenue on this article alone. I suppose I had better go through and point out to you gentlemen other articles where you will be enabled to derive some revenue to meet the expenses of the Government.

Mr. PAYNE. I suppose that increased revenue would result from shutting up the factories which these gentlemen represent.

Mr. PRESTON. Not at all. If these factories can not be run on the 10 per cent on the lower grade of oil cloths, where, as Mr. Potter says and Mr. Blabon says, they employ 100 hands, I think that the Government had better close them up.

Mr. PAYNE. Do you think they will do as much business!

Mr. PRESTON. I think it is utterly unimportant for the people of this country whether they do any business or not.

Mr. REED. That is a good point.

Mr. PRESTON. We think where sixty-odd millions are concerned and only one hundred opposed to them the sixty-odd million should be considered every trip, and the Treasury of the Government should be protected.

Mr. PAYNE. I want to get at the fact whether you are going to shut them up or not. I do not propose to discuss it with you.

Mr. PRESTON. I do not propose to shut them up, gentlemen.

Mr. PAYNE. How are you going to get this extra revenue unless you shut them up, unless you import the entire oil-cloth business under 25 cents on 10 per cent duty?

Mr. PRESTON. I propose to show it in this way.

Mr. REED. Better abolish it and take the chances?

Mr. PAYNE. I did not want to break the order of his remarks.

Mr. PRESTON. It is all broken up, and I never will be able to return to it.

The CHAIRMAN. There is another gentleman to be heard after you, and you will oblige the committee very much if you will condense what you are going to say and not be led off by these side questions at all.

Mr. PRESTON. I will endeavor to do that. Now, I propose to show it in this way. Mr. Blabon, who testified before the same committee in

1890 upon this same question when that tariff act was framed, in reply to a question put by Mr. Breckinridge—

Is your product turned out mainly by machinery?

Mr. BLABON. Very largely. In the last few years we have exerted ourselves and have spent a great deal of money for machinery.

Mr. BRECKINRIDGE. So that the mere manual labor does not cost you much?

Mr. BLABON. We have still a large amount of hand labor, printers and others. Three or four years ago I offered $50,000 for the patent of a machine that would print linoleum perfectly. I offered it to any genius who would invent a machine that would do the work and assign the patent to me.

Mr. BRECKINRIDGE. Then you would have the patent and control it?

Mr. BLABON. Of course I would have it and control it.

Mr. BRECKINRIDGE. You say we use better machinery in your business in this country than they use abroad?

Mr. BLABON. Yes; I estimate the capacity of the American works as about 22,500,000 yards.

Since that testimony was taken, gentlemen, ceeded in acquiring printing machines, and I h tographs here to show you [exhibiting same], an machines make, and the multitude of yards that in the course of a day. I will show you, fu extracts which I will furnish you, taken from the ing the capacity of the works of Messrs. Blabon, the following, viz: three machines, each ity per hour, 24,000 yards per day, a total of 7 That is what Thomas Potter & Sons are running & Co. testified before you gentlemen in 1890, or s as were present on that occasion (I do not want that with these machines they could compete wi home or abroad. I have shown you, and I will each of you gentlemen to show the facts and a tain them, that Mr. Blabon has secured four ot th is one of the most flourishing oilcloth makers in this all. When you come to estimate it, Mr. Blak running, and he has all of those four machines ru present tariff. Those four machines, manufactu hour, 24,000 per day, a total of 96,000 yards per d and the grand total of manufacture per diem of whom you gentlemen have heard from—Mr. Pott or what they can manufacture if they see fit to r full time 300 days in the year, is the moderate per diem, which makes 50,400,000 yards per year

Mr. GEAR. Right there——

Mr. DALZELL. Did you say yards or acres?

Mr. BURROWS. I understood you to give numb

Mr. PRESTON. No, sir.

Mr. REED. I thought it was square miles.

Mr. PRESTON. I do not know how many thous cover, but I am only here for the purpose of yards, but if run on full time, which those seven would amount to the moderate sum of 50,400,000 I do not make this statement haphazard. I have I propose to have printed and furnish to each taken from the trade papers, with the date by gentlemen can refer to these respective numbers statement which I have made is correct or otherw

Now, then, there is one other proposition that pose of showing. If I understand the result o

will put it in a different way—if I understand the sentiment of the people, Republicans as well as Democrats, who are engaged upon this investigation, it is for the purpose of framing a tariff bill which will do justice to the manufacturers, partial justice, at least, to the people, and furnish a revenue to the Government to pay the expenses of the Government. I propose to show you gentlemen, by the testimony of Mr. Blabon himself, that it only required his consent in order to make a large trust company of these manufacturers, and that instead of sixteen manufacturers, in point of fact there would only be one, who would apportion out the plunder among themselves which you gentlemen granted them by placing the tariff upon an article of prime necessity in use in every household in this land; an article that the poor people, more especially than the rich, are required to use because it is so much cheaper than carpeting made of wool and other floor coverings.

Mr. HOPKINS. Do you say those sixteen industries are combined in one trust?

Mr. PRESTON. I say Mr. Blabon, in his testimony in 1890 before this committee, stated it only needed his consent.

Mr. HOPKINS. That does not answer my question. Are these industries combined in a trust?

Mr. PRESTON. I think I can show you so.

Mr. HOPKINS. Do you say so; never mind your ornamentation now, but give me a direct answer.

Mr. PRESTON. My dear sir, I will not state a fact unless I know it positively.

Mr. HOPKINS. Then you do not know—is that it?

Mr. PRESTON. I infer from these advertisements, taken from the Carpet and Upholstery Trade Review, which I will read if you will permit me:

The agreement on prices between the table oilcloth manufacturers expired with the 31st ultimo, and a meeting was held on that date with the result that one prominent manufacturer declined to continue in the agreement, and therefore the fall season opens up with no arrangement among the manufacturers as to a uniform price list.

Put the duty 5 cents per square yard specific and 30 per cent ad valorem, as Mr. Potter and Mr. Blabon suggest, and how long will it take those sixteen manufacturers to come together and make the greatest trust this country has ever seen.

Mr. BURROWS. That alludes to table oilcloths. Do not you know that these gentlemen do not make that at all?

Mr. BLABON. Only a little.

Mr. PRESTON. I will show you what he makes.

Mr. BURROWS. You are showing a trust in a thing that does not exist so far as these gentlemen are concerned.

Mr. PRESTON. I have something here which I apprehend the venerable gentlemen will not deny. I have a list here—a report of the estimated capital of each one of those 16 manufacturers.

Mr. GEAR. Is their rating bad?

Mr. PRESTON. Quite good.

Mr. GEAR. A 1?

Mr. PRESTON. Some of it ought to be double A 1. The aggregate of these 16 manufacturers—I will not trouble you, gentlemen, as the time is a very important matter here—I have not added it up, but many run in the millions. Mr. Potter is rated at $750,000 to a million, and Mr. Blabon is rated at the same rate. Mr. Potter and Mr. Blabon both

make table and shelf cloths, floor cloths, and linoleum. They both make all of these articles I referred to.

Mr. PAYNE. In other words, it requires a large amount of capital to do this business, a large investment in machinery and otherwise?

Mr. PRESTON. At the present date it is done altogether with machinery——

Mr. PAYNE. That it requires a large investment?

Mr. PRESTON. I will not say that it requires a large investment, because other people could manufacture it; but what chance has an humble man who commenced like one of these parties, the large firm of Deborah, Powers & Co., of Lansingburg, N. Y.

Mr. HOPKINS. What about that firm?

Mr. PRESTON. They are rated now at $1,000,000 and over.

Mr. PAYNE. Did they commence with nothing?

Mr. PRESTON. They commenced with nothing. The senior member of this firm commenced the work on these oilcloths in the shed of a yard, and they carried on that business and built up this trade until they are now millionaires.

Mr. HOPKINS. When did they commence?

A BYSTANDER. In 1817. I have not got the date.

Mr. PRESTON. I am much obliged to you.

Mr. HOPKINS. You say from 1817 up to this time th lated their capital, and it is nearly a million?

Mr. DALZELL. That sort of a thing ought not to be

Mr. HOPKINS. I appreciate the fact now that th monopoly.

Mr. TURNER. I think the gentleman should be allo statement and be allowed to conclude it, and I for o have a connected statement from the gentleman.

Mr. PAYNE. I have not asked any questions except tleman.

Mr. BURROWS. What is the name of this last firm?

Mr. PRESTON. Deborah Powers & Sons.

Mr. BURROWS. Do you know they were not making

Mr. PRESTON. I will tell you whether they are mal ining papers.) They do not make linoleum. They m table, and shelf cloth. You will not have any difficul what they make or do not make if you read the pap here with you.

Mr. REED. We will read them all.

Mr. PRESTON. If you will read them all it is hardly me to say any more.

Mr. GEAR. You appear here in the interest of the i

Mr. PRESTON. You can put it that way if you choo

Mr. GEAR. I want you to answer it. I do not put i

Mr. PRESTON. Yes, sir; if you please.

Mr. HOPKINS. What importing firm or house emplo here?

Mr. PRESTON. I do not know—that is a professiona I should have to state it. That is a professional ques I have the right to answer that or not.

Mr. GEAR. When you come into court——

Mr. HOPKINS. If the gentleman objects I will not pr

Mr. GEAR. When you appear as an attorney in a c state the name of your client; that is the rule of the c

Mr. PRESTON. Now, gentlemen, I took some few no

testimony which is offered by Mr. Blabon, who has appeared before you on this subject, and he says of the manufacture that three-fourths of all made is sold for less than 25 cents per square yard. If that be the fact —I believe there is no better evidence anywhere such is the fact because there are more poor people than rich people—the tariff bears more hardly upon the poor people than the rich, who are able to buy at the highest rate, and while I make no objection to the tariff remaining as it is now upon the higher grades of linoleum, I do make the point that these lower grades which come into common use of the humblest American citizens ought to be put down to the minimum rate, and I do think from such investigation and study is I have given that when you gentlemen are called upon to consider this matter in the preparation of this tariff bill, that if you see fit to take the trouble to read the facts which I have collated and collected here for your guidance, that when you return to your constituents—I find I am getting off; I do not want to get off any more.

The CHAIRMAN. Our time is very precious and we want you to come right down to the facts and nothing else.

Mr. PRESTON. That is what I propose to submit.

The CHAIRMAN. If you have any papers, file them with the stenographer.

Mr. BURROWS. I want to ask you in regard to that amendment; did you submit that amendment to the Secretary of the Treasury?

Mr. PRESTON. I showed the whole paper——

Mr. BURROWS. Did you submit the amendment you propose?

Mr. PRESTON. I did to the Acting Secretary, Mr. Hamlin, at the time.

Mr. BURROWS. And it met with his approval?

Mr. PRESTON. He thought it was a good suggestion.

Mr. GEAR. Did you prepare that paper at his request?

Mr. PRESTON. No, sir; I did not.

Mr. DALZELL. You submitted these papers also to him, this whole business?

Mr. PRESTON. No, sir; I did not.

Mr. DALZELL. I thought you stated some time ago you did?

Mr. PRESTON. No, sir; these are the papers I submitted, and these are samples (illustrating).

Mr. BURROWS. Have you submitted the proposed amendment to the tariff law?

Mr. PRESTON. Yes, sir; with these articles which show the stock——

Mr. PAYNE. Did you submit this proposed amendment to the importers?

Mr. PRESTON. I have to one importer.

Mr. PAYNE. Does that meet with his approval?

Mr. PRESTON. He thought it was wise.

The CHAIRMAN. Is the importer regarded as a criminal over in Baltimore?

Mr. PRESTON. No, sir; he is regarded as one of the best of our merchants.

Mr. DALZELL. Is he the gentleman employing you?

Mr. GEAR. You said you represented the importers.

Mr. PRESTON. I said, I can not escape.——

Mr. GEAR. You said you——

Mr. PRESTON. One moment, permit me to answer your question if you please. I said and I say again I represent first the people of this

country, the masses, and the next if you please the importing merchants of this country.

Mr. GEAR. That is all right. Who pays you, the masses or the importers?

Mr. PRESTON. I get it in two forms, part from the importers and part from my conscience which approves what I do.

Mr. GEAR. I did not know that you had a conscience. Now in regard to these importers have not they had trouble with the Government with regard to undervaluations?

Mr. PRESTON. No, sir.

Mr. GEAR. None at all?

Mr. PRESTON. None at all.

Mr. REED. I would suggest that you must not t your reception because the majority are with you in j

Mr. PRESTON. I would like, if you gentlemen wo cient time, to refer to a question put to Mr. Blabon. to verify what I have to say on this subject. I have h senting each grade of oilcloth, all of which is numbe said he was satisfied, and that he desired a specific t to an ad valorem tariff I have here a quotation whi read to you gentlemen, which I think you will all s from the Tariff Reformer. It is in reference to this specific tariff instead of an ad valorem tariff. For fe might think it not worth while to read it, if you will read it.

Mr. DALZELL. How long is it?

Mr. GEAR. File it with those papers as we all read

The CHAIRMAN. Give that to the reporter, Mr. Pre

Mr. PRESTON. All right, sir; I only intended to re sages from it.

The answers of all tax-eaters to this question are practically officials whose duty it is to collect taxes prefer specific duties, easier to weigh goods and charge so much a pound than it is to value and assess them in proportion to that. Protected manu cific duties, because it is easy in this manner to tax the people vate gain in cases where 50 per cent openly levied on values wo They prefer such duties because, as we shall presently show, self-acting power of constantly increasing taxation, until, afte years, such duties become prohibitory and secure to the dom monopoly so that, in multitude of cases, that which was intende duty, and was such when enacted, soon produces no revenue to extorts enormous tributes from the masses for the benefit of talists.

Mr. PAYNE. You favor an ad valorem duty?

Mr. PRESTON. Yes, sir; that being more just and f

Mr. GEAR. Is that Henry George?

Mr. PRESTON. That is a letter from Mr. Thomas G.

Mr. DALZELL. There is nothing cranky about him.

Mr. PAYNE. Have not you anything else on that s

Mr. PRESTON. There is very much upon that subje being limited I must proceed.

Now, in regard to the cost of the burlaps. I have thi find by reference to the tariff act that the fiber come is only the manufactured article upon which there paid and I understand that there are manufacturers fiber which comes in free into the jute burlaps.

Mr. PAYNE. The McKinley bill puts the fiber on th

Mr. PRESTON. It did.

Mr. PAYNE. Are you finding fault with that?

Mr. PRESTON. I am very glad to find McKinley did something by which the American people were benefited in reference to the tariff question.

Mr. PAYNE. We are obliged to you for saying that.

Mr. PRESTON. Then Mr. Potter also contends for a specific duty, like Mr. Blabon, on oilcloths 25 cents and under, and then he goes on to explain to you gentlemen the manufacture of these and puts the cost of labor at one-third—burlaps at one-third, and the other material which he can not name he also puts at one-third. I repeat, as I have already stated, there is not a single article that goes into the manufacture of oilcloth and linoleum upon which there is a duty paid which can not be produced just as cheap here——

Mr. PAYNE. You do not take the general position of free-traders, that if a duty is placed on an article and the article is manufactured here the the consumer has to pay the duty to the Government and also on the manufactured article?

Mr. PRESTON. Put that question again.

Mr. PAYNE. You do not take the usual position of the free-trader, that where a duty is placed on an article manufactured here that the consumer has to pay the duty on the manufactured article and to the Government?

Mr. PRESTON. Certainly, I do.

Mr. PAYNE. Why do you say because the burlap is manufactured here the item of 40 per cent could not come in. You say burlaps are made here and you do not take any account of that duty because they are made here?

Mr. PRESTON. All the fiber is imported free—the raw material.

Mr. PAYNE. But there is 40 per cent duty on the manufactured article. If 40 per cent is added to the price you ought to take that into consideration upon that standpoint?

Mr. PRESTON. I do not exactly see why.

Mr. PAYNE. If you do not, I will not spend the time enlightening you.

Mr. GEAR. Do you favor a reduction of duty on the burlaps, or is that a part of your client's argument?

Mr. PRESTON. It is a matter of no importance as regards to that; I have not made any point upon that subject. It is immaterial to me whether it is reduced or not.

Mr. REED. Then there would not be any manufactures to be destroyed because there would be none.

Mr. BURROWS. What are burlaps made of, without looking—as you are of course familiar with it?

Mr. PRESTON. It is made of jute fiber. I will show you the article, there it is [exhibiting same]. That is the same as bagging for fertilizers.

I have brought here some samples of leathers. Here is a leather that is imported at 20 cents per square foot or $1.80 per square yard. The duty on that is 20 per cent ad valorem. On this manufacture the price is 20 cents a yard and the duty is 40 per cent ad valorem.

Mr. PAYNE. What is that manufacture?

Mr. PRESTON. It is oilcloth, imitation leather cloth, on a cotton back. Here is one which is used for covering books, dutiable at 40 per cent, while the leather is 20 per cent. These are some of the incongruities of the tariff.

Mr. PAYNE. I suppose you take into consideration the fact the leather

is manufactured here and the raw material is produced here in the leather, while it is not in the burlap, or do you not take that into consideration in your theory of economics?

Mr. PRESTON. Well, I can not exactly see the point to which your question leads.

Mr. PAYNE. I did not apprehend you would.

Mr. BURROWS. May I inquire your business?

Mr. PRESTON. I am a lawyer.

Mr. BURROWS. And you represent the poor people—the masses?

Mr. PRESTON. Yes, sir; I do.

OIL CLOTH.

(Paragraph 369.)

STATEMENT OF MR. J. CRAWFORD LYON, OF BA

Mr. CHAIRMAN: I ask for ten minutes of your v also ask that you permit me to proceed uninterrupt am at your service. I am an importer, and I impor cles; wool and matting from China and Japan, oil from England, and I am prepared to show you that oleum are now taxed the manufacturers have an unf the consumers.

The conversion of coarse, cheap fabrics, into so-c imitation leather cloths, for covering floor, tables, and for making hats, caps, shoes, harness, traveling binding books, began in this country more than sev (See Carpet Trade Review published in New York, J operation by hand, while simple, was tedious, and grew, various mechanical devices were substitute increasing and cheapening production, enlarging traffic, and multiplying the profits of the convert not exceed 14 producing oilcloth and linoleum for fl other oilcloth and imitation leather cloth.

Mr. REED. Would it interrupt you if I ask you rig is this document you are reading signed?

Mr. LYON. The document is not signed by any printed name at the bottom.

Mr. REED. What is the printed name at the bott

Mr. LYON. John F. Preston.

Mr. REED. It is a second edition of that.

Mr. LYON. It is not a second edition, you have no

Mr. REED. That is the same Mr. Preston who ap

Mr. LYON. Yes, sir.

Mr. Reed. That is the same that Mr. Preston had

Mr. LYON. Yes, sir; that was prepared but it v assisted him in the preparation of it.

I appeared before this committee in 1890 alone una in exposing to some degree the iniquity of the pro manufacturers of this country then presented to it, v a duty of 10 cents a square yard and 30 per cent ad cloths, and Mr. Blabon's reply to Mr. Breckinridge's

up to the members of this committee the iniquitousness of the intent and purpose of the manufacturers, as it is possible to get at it.

Mr. BRECKINRIDGE. Did not they make a trust last fall?

Mr. BLABON. No, sir. They are very anxious for one, and if it were not for our house they could get one up in ten days, but I will not have anything to do with it. I did not build up my business on combination and trust.

Mr. Blabon also stated in response to Mr. Breckinridge's question—

Is your product turned out mainly by machinery?

A. Very largely. In the last few years we have exerted ourselves and have spent a great deal of money for the machinery.

Mr. BRECKINRIDGE. So that the mere manual labor does not cost you much?

Mr. BLABON. We have still a large amount of hand labor, printers and others. Three or four years ago I offered $50,000 for the patent of a machine that would print linoleum perfectly.

Since that time the George W. Blabon Company have put in their new works four machines which each have a capacity of 1,000 square yards per hour and which does the work of from 50 to 70 printers.

The progress of this industry from feebleness to vigor, from a small individual industry undertaken by a mother and her sons in 1817, and through the years that have intervened conducted with such signal success that to-day the firm of Deborah Powers & Sons are millionaires, conducting the business at Newburg and Lansingburg, N. Y., has its almost magical counterpart in the rise from simplicity and obscurity of the private individuals and firms now known as "Thomas Potters Sons & Co., incorporated," and "The Geo. W. Blabon Co.," both of Philadelphia, private corporations widely known in the trade as possessing unlimited wealth and resources, sprung from most modest beginning, rated by mercantile agency reports as millionaires, and now producing every class of floor, table, and leather goods, aggregating millions of square yards.

Likewise may be referred to as wealthy and powerful, Messrs. C. M. Bailey & Sons, Skowhegan and Winthrop, Me. (reported production 3,500,000 square yards); the Farr & Bailey Manufacturing Company, Camden, N. J. (reported production 3,500,000 square yards); the Nairn Linoleum Company, Kearney, N. J.; the American Linoleum Company, Staten Island, N. Y.; Messrs. W. M. Brasher & Co. (just retired), Brooklyn, N. Y.; Messrs. Alden Sampson & Sons, Hallowell, Me., and Brooklyn, N. Y. (estimated production 5,000,000 square yards), who produce each year millions of square yards of floor coverings exclusively, as pointed out in printed statements with exhibits heretofore laid before you, and with which you are doubtless familiar.

Of Messrs. Sampson & Sons, the American Carpet and Upholstery Trade of June 1, 1893, said:

The trio composing the firm of Alden Sampson & Sons is painfully severed by the death of Mr. E. P. Sampson. Deceased was born in Old Hallowell, Me., where the elder Sampson started one of the very first floor oilcloth factories in the United States. Years ago the firm had become independently rich.

Of Mr. W. M. Brasher, the same authority on the same date stated:

Mr. W. M. Brasher, the oilcloth manufacturer of Brooklyn, N. Y., who is winding up his affairs, retires a wealthy man. He was one of the pioneers in oilcloth, etc.

What a commentary upon an occupation for years pampered by the tariff beyond its needs and deserts, in which some have become millionaires and none fail (except the laborers) to reach affluence, yet would make it appear to you that they still need protection to exist.

The materials consumed in the construction of oilcloth and linoleum

tor floors, and all other oilcloth and imitation leather cloth, are few and inexpensive. For the most part they are produced in this country cheaper and better than abroad. It is a fact that we export the products of the pine tree and petroleum, both used in the production of paints and varnishes, together with ocher and ochery earths, and manufactured lampblack, largely consumed in the construction of these goods, and foreign makers pay more for all these important materials than makers in this country.

The duty existing in Schedule A of the existing tariff bears with no hardship on the manufacturers of oilcloth and linoleum for floors, and all other oilcloth and imitation leather cloth, because the majority of materials used by them are as cheap, if not cheaper, in this country than abroad. (See quotations in Paint, Oil and Drug Reporter, and the price list of the Pennsylvania Paint and Ocher Company.)

The foundation of oilcloth and linoleum for
of jute (Exhibit Nos. 1 and 2), 12 to 15 thre
counting warp and filling, and is produced at
5 cents per square yard. (See American Cott
The fiber, jute, is now admitted to this countr
graph 593, existing tariff), while under the ta
to pay 20 per cent ad valorem, and its fab
now conducted by many well-equipped mills, f
in this country. As this fiber comes from Calc
spinners and weavers pay as much for it as ou

The foundation of oilcloth (not used for cov
tion leather cloth is a coarse, cheap cotton fa
grade most largely used) of about 48 threads e
counting warp and filling (Exhibits 3, 4, 5, an
article, 64 thread print cloths selling at 2⅝ c
(See American Wool and Cotton Reporter.)
that this cheap cotton foundation is as cheap i
Probably it is cheaper. These cheap foundat
coarse cotton fabric are coated or filled with a
ochery earths and clays (worth one-fourth to 1
upon them rapidly and cheaply by machines
pose. In the construction of linoleum a mash
gums, entering this country duty free (see para
ing tariff), together with oxidized oil to bind
wearing surface. After drying or tempering
are delivered to the printer who applies a pat
as anything else is printed, the extraordinar
vented and now largely used rendering hand
or desirable, (See full description with Tr
marked Exhibits B, C, and D, already laid bef
illustrated letter to the President and Con
another drying stage is passed, and the fabric
that floats it with varnish, after which it is ag
racks, and when sufficiently dry, after a few h
of heated air driven by an air propeller, it is
is ready for delivery to purchasers. A proces
so simple, employing fewer and fewer human
made to take their place and do their work, a
the cheapest unskilled sort, using materials
cheaper, here than abroad, producing a finishe
greater or less extent in one form or anothe
broad land, controlled by less than a dozen pr

tions rolling in wealth, who have been helped to their commanding positions by favorable tariff legislation in the past. This process, this occupation, this mechanical (almost automatic) industry, with almost unlimited capacity of production, should now be compelled to "sink or swim, survive or perish" by its own unaided efforts, and on its merits. The country has done enough for it.

It is now time to do something for the country in bringing about a healthy competition, embracing all producers, by the imposition of a duty not exceeding 10 per cent ad valorem on cloths costing 25 cents per square yard, or less, and 40 per cent ad valorem on cloths costing more than 25 cents per square yard, to the end that a revenue of some magnitude may be derived where but little is now had from the large traffic at this time existing and yearly increasing, and at the same time bringing some measure of relief to the people, and, to this extent at least, redeeming the pledges of reform so freely, so faithfully, and so recently made from every political platform throughout the land.

Mr. WHITING. I would like to ask you if oilcloths are largely imported?

Mr. LYON. That question is answered by the statistics.

Mr. WHITING. What is the amount?

Mr. LYON. This is a publication by the Tariff Reform Club, and it happens to be at this time the only authority I have, but I think this is from the public statistician. In 1892 the value of the importation of oilcloth and linoleum was a paltry $267,000, while the estimated consumption of oilcloths in this country is $10,000,000.

Mr. WHITING. About 2½ per cent.

Mr. LYON. The duty on the imports of $267,000 was $128,000.

Mr. TARSNEY. Would you consider an importation of 2½ per cent a a ruinous competition?

Mr. LYON. Mr. Blabon probably does; I should judge the other way.

Mr. WHITING. The statement that it was largely imported I did not think was true. There is scarcely a place in New York City where it is sold. None of the large dealers have it.

Mr. LYON. Now, I have a suggestion to make to this committee with reference to paragraphs 369, 455, 464, and 575 of the tariff act of 1890.

Paragraph No. 369, tariff act, 1890, imposes on oilcloth and linoleum for floors and on all other oilcloth (except silk oilcloth) and on waterproof cloth not specially provided for, "costing 25 cents per square yard, or less, 40 per centum ad valorem;" "costing over 25 cents per square yard, 15 cents per square yard and 30 per centum ad valorem." The former may be said to be used by the poor and the latter by the rich. This is a duty of 40 per cent on articles that enter every household in one form or another. It is a duty of 40 per cent on grades used more extensively among working people than others. It is a duty of 40 per cent on articles in daily and constant use, the component parts of which are (with one or two exceptions) cheaper in this country than abroad, articles in the fabrication of which the labor of human hands plays a most insignificant and trifling part on account of the ingenious steam-driven machines now employed, rendering the plea of taxation to maintain wages uncalled for and unjustifiable. It is therefore respectfully submitted that paragraph No. 369, tariff act 1890, be amended to read as follows, viz:

Paragraph No. 369: Oilcloth for floors, stamped, painted, or printed, including linoleum, corticine cork carpets, figured or plain, and all other oilcloth (except silk oilcloth) and waterproof cloth not specially provided for in this act, costing 25 cents per square yard, or less, 10 per cen-

tum ad valorem. Valued above 25 cents per square yard, 40 per centu ad valorem.

Mr. GEAR. Right here, why do you ask 40 per cent on oilcloths costing over 25 cents and only 10 per cent on those costing below that?

Mr. LYON. Mr. Blabon confirmed the statement I have already made that about 80 per cent of the consumption is in goods costing less than 25 cents, and those which cost over 25 cents are used by the wealthy who can afford to pay for it.

Mr. GEAR. I wanted to know why you want that.

Mr. LYON. For the reason it will affect 80 per cent of the consumers.

It may be here observed that fully 80 per centum of the square yard consumption of oilcloth and linoleum is in the grades costing 2 cents per square yard, and less, a very trifling portion of which is now imported, amounting in 1892 to only $267,465 in value, producing the small revenue of $128,929, with an estimated consuption of more than $10,000,000 and yearly increasing.

It is beyond a reasonable doubt that the importation o leum costing 25 cents and less per square yard will en if the tariff is thus reduced, and in addition to the in the people who need it will be relieved. It may be sa a duty of 10 per centum ad valorem on cloths costing 2 yard, or less, would result in an increase of importation the Government a revenue fully three times as great 1892.

Mr. TARSNEY. If those figures are correct, 10,000, consumption?

Mr. LYON. No, $10,000,000.

Mr. TARSNEY. Well, $10,000,000 and less than $300 Then the importion is less than 3 per cent of the entir it not?

Mr. LYON. It is about one thirty-third part.

Paragraph No. 575, tariff act 1890, free list, mos abolishes the duty of 20 per centum ad valorem heret straw matting, commonly known as China matting. T almost exclusively in China and Japan. Nearly if r rolls, aggregating nearly if not quite $2,000,000, we this country during the past year, and in the next five bly reach $4,000,000 in value, this country consumi all that is made in China and Japan.

It assimilates as a floor covering oilcloth and lin costing 25 cents per square yard, or less, and in justic ment should be taxed in the same way.

Paragraph No. 464, tariff act 1890, most unreasona matting of cocoa and rattan fiber a duty of 12 cents p and on mats of the same 8 cents per square foot, i centum ad valorem under the tariff of 1883. This is to 100 per centum ad valorem on matting and from 50 tum on mats.

This duty is completely prohibitory, and the Gover debarred from a revenue on articles of this class (for w is constant throughout the country), all in the interest ers of these articles, who get their raw material in t fiber and coir yarn free of duty. (See Paragraph N 1890, free list.)

Just here let it be noted that nearly if not three-fo sumption of cocoa matting and mats in the United S

duction of convict labor in the Western penitentiary of Pennsylvania, Allegheny, Pa.; the New Jersey penitentiary, Trenton, N. J., and elsewhere, with whom it is hopeless for honest labor to compete.

They derive a great revenue, while honest labor starves.

A revenue would accrue to the Government if a duty of 10 per centum ad valorem were imposed in place of the existing duty on cocoa and rattan matting and mats, thereby inviting and stimulating importations.

It is therefore respectfully submitted that paragraph No. 575, tariff act 1890, free list, be abolished and paragraph No. 464, tariff act 1890, be amended to read as follows, viz:

Paragraph No. 464: Floor matting or mats made from round or split straw or rush, including what is commonly known as China matting, and matting or mats made of cocoa fiber or rattan, 10 per centum ad valorem.

It may be confidently predicted that a revenue of at least $250,000 will be secured where none is now had, and which in a few years will possibly reach $500,000 per annum, all from straw matting, now on the free list, and cocoa and rattan matting and mats, now prohibited as described.

Paragraph No. 455, tariff act 1890, imposes on leather not specially provided for 10 per centum ad valorem.

Paragraph No. 456, tariff act 1890, imposes on finished leathers, including "patent," "enameled" and "japanned" leather and bookbinders' leathers, 20 per centum ad valorem. At the same time imitation leather cloth is dutiable as an oilcloth and as waterproof cloth. If costing 25 cents or less per square yard imitation leather cloth pays now 40 per centum ad valorem. (See paragraph No. 369, tariff act 1890.) Imitation leather cloth, on account of its low cost compared with real leather, its equality in appearance, and almost equal durability in wear, is an article enormously consumed by the masses.

The mechanical finishes known as "patent," "enameled," and "japanned" are applied to foundations of leather or cotton fabric, and are in use throughout the world, some of the many varieties being shown by the exhibits herewith. If similar treatment in staining, painting, printing, and stamping is applied to all foundations of leather or cotton to produce an article for a certain purpose, is it not manifestly wrong to impose, as is now the case, 10 per centum ad valorem on leather not specially provided for; 20 per centum ad valorem on finished leathers, as described; 40 per centum ad valorem on imitation leather cloth (costing 25 cents per square yard or less) dutiable as oilcloth or waterproof cloth? (See paragraph No. 369, tariff act 1890.)

It robs the poor consumer who, for lack of means, uses articles composed wholly or in part of imitation leather cloth, such as may be found in his children's shoes, hats, and caps, in his traveling bag and trunk, in his harness and vehicles, his table and furniture covering, and in the bindings of his books. It robs the Government of revenue for the benefit of a few manufacturers, as the duty now imposed is completely prohibitory, the foreign-made article being almost, if not entirely, unknown here to consumers.

I am sorry Mr. Blabon and Mr. Potter have absented themselves and are not here to answer whether or not they have ever seen on the market any foreign-made imitation leather cloth. I am positive they have not, and my recollection goes back to 1869 and is quite fresh.

If imitation leather cloth is made dutiable at 10 per centum ad valorem in keeping with the duty now existing on leather not specially pro-

vided for in paragraph No. 455, tariff act, 1890, the Government would thereby secure a revenue and the consumer would be relieved. It is confidently asserted that a revenue of some magnitude where none now exists would immediately result and many articles be che consumers. It would be a conservative estimate to pla at $100,000. It is therefore respectfully submitted that 455, tariff act, 1890, be amended to read as follows, viz:

Paragraph No. 455: Bend or belting leather, sole leat tion leather cloth assimilating finished leathers, and le cially provided for in this act, 10 per centum ad valorem

In support of the soundness of my contention that the i as "the oilcloth, linoleum, and table oilcloth or leather-c is enormously protected, it is asserted: (1) It began in a s manner as a household industry. (2) It developed int employing fewer and fewer men (per square yard produce were made to take their place and do their work. (3) I ufacturing industry in which is to be seen large incorp nies (see list below) with enormous productive capacity, of conditions due in a great measure to the enormous prohibiting, to a great extent, the importation of forei The conversion of a cotton or a jute fabric into oilcloth, imitation leather cloth consumes materials such as lan and ochery earth and clay, earth paints, resin, turpentin etable, and mineral oils, that are for the most part che abroad, foreign makers paying more for these articles t this country. (5) Machinery now in use has greatly cheapened the production, and is used by almost all the tions whose growth and development has been abnorma protection afforded them by the tariff, prohibiting the foreign goods.

SPECIMENS OF MONTHLY COMMENTS IN TRADE

[The American Carpet and Upholstery Trade, June 1.]

Sprowles & Houseman's specialties.

Oilcloth machinery is a specialty with Sprowles & Houseman, at H streets, Frankford, Pa., and they are experts in their line; their n machine for printing table and stair goods is used by Thomas Po and by the Western Linoleum Company, at Akron, Ohio, and is gi faction. The calenders now building are very strong and durable, improvement in their enamel machine which will enable manufact a much better article in carriage cloths than heretofore.

Their improved dyeing racks are favorably commented upon wi giving a largely increased capacity per diem will certainly pay ducers to fully investigate. The latest is a single-color printing ma capacity, which is pronounced unusually good and must be seen to

Mr. Brasher's retirement.

Mr. William Brasher, the oilcloth manufacturer of Brooklyn, N winding up his affairs preparatory to quitting business, retires a w was one of the pioneers in oilcloths, and had a strong hold on the of the country. The sad and sudden death of his beloved son no great blow to him and left no incentive to continue the old busin plant in Brooklyn has already been sold to different mills, and the representatives have secured new positions.

[From the Carpet and Upholstery Trade, June 1.]

Elijah Pope Sampson.

The disruption by death of the time-honored house of Alden Sampson & Sons will cause profound regret throughout the trade. This occurred Thursday, May 18, in New York City, in the death of Mr. E. P. Sampson, at his residence, No. 2 West Fifty-first street. Deceased was born in old Hallowell, Me., where or near where the elder Sampson started one of the very first floor oilcloth factories in the United States. The present firm conduct now a factory at Hallowell, their principal works, however, being at Astoria, Long Island.

The trio composing the firm of Alden Sampson & Sons is painfully severed by Mr. E. P. Sampson's death. Messrs. Edward C., Henry and Elijah P., the junior just dead, made up the firm, and three more affectionate and united brothers never clung together in trade. Years ago the firm had become independently rich, but the partners never became too stuck up to attend to business personally. One or more of the Messrs. Sampson are always on hand at 58 Read street.

In the interest of poor consumers everywhere, and especially those who as agriculturists produce cotton, wool, and food products at most unremunerative rates, on account of the ever increasing production of these premier articles of consumption by the densely populated and semicivilized nations (Egypt, India, China, and Russia), and in behalf of the multitude of unskilled wage earners who are entitled to legislation in their interest on account of their constituting the large majority of our fellow citizens, the following is brought to your notice, that in the revision of the tariff about to begin justice may be done those most concerned.

The homes of our country are its strength. They consume vast quantities of necessary furnishings. The free and general education of the masses brings in its train aspirations that are both natural and creditable. They should not be checked by taxation. Many home comforts are no longer luxuries. Legislation should tend to cheapen such, to those who have so little to spare for their purchase.

Nothing is in more general use throughout the land than floor oilcloth and linoleum. It is found in every village and hamlet where the products of the farm are exchanged for manufactured articles. These, together with the lighter weights of oilcloth, known as "table," "shelf" and "stair" oilcloth, and imitation leather cloth, you will find in use to some extent in every house and cottage and in the construction of every covered vehicle of moderate cost from one end of the country to the other.

The existing tariff tax compels consumers here to pay for these goods far more than is right or justifiable, especially in the grades made to meet the requirements of people of slender means.

You will please observe that 40 per cent ad valorem is now imposed on "oilcloths and linoleum for floors, stamped, painted, printed, or plain, and on all other oilcloth and waterproof cloth not specially provided for, costing 25 cents or less per square yard." (See paragraph 369, new tariff.) This strikes at every floor, table, and shelf in the homes of the working people. It spares neither the baby's bibs nor the mother's waterproof bedcloth. On cloths costing over 25 cents per square yard the existing duty is "15 cents per square yard, and, in addition thereto, 30 per cent ad valorem." This section touches only the rich and well-to-do and does not call for rectification so imperatively. Now, please observe that fully two-thirds of the square-yard quantity of floor cloth produced in this country, and all the table, shelf, and stair cloth is comprised in the grades costing 25 cents and less per square yard, now dutiable at 40 per cent ad valorem. Note also that the materials composing oilcloth and linoleum, with the exception of

the cheap jute burlap foundation, are as cheap or ch try than in Europe. The pine tree and petroleum l black, ocher, and ochery earths used in the consti cloth and linoleum are produced in Georgia, North C sylvania of unsurpassed quality and cheapness, are eign makers pay more for these important ingredien ers do. Cork and gums are imported free of duty.

For the past two years linseed oil has been very che and if not controlled by trusts, may remain so, owin cultivation of the seed and the new and cheap proce the oil and the value of the cake for cattle feeding. oil used—pine tree, petroleum, and animal product being largely used both for paint and varnish m cheaper here than abroad.

The labor involved in turning out oilcloth and reduced to the minimum by ingenious machinery u ago. Successful contradiction of these specific statem The ordinary market reports will bear out the truth the materials used, and the copies herewith of the builders of oilcloth machinery, and the testimony of manufacturers in this country before the Ways and of the Fifty-first Congress, in reply to Mr. Breckinri to 572, statements before Ways and Means Committ gress), settles the question as to hand labor then in reduced since. (See Exhibit A.) This we commen notice, for you will see that one of the largest and m ufacturers in this country, a brilliant and worthy rep made men, while pleading for all the protection that at the time for the asking, frankly admitted when cr am not a free-trading man, but if you put me on a London or Kirkcaldy I can get along. I can get labor is not quite as low as theirs, for we have bette plant contains the best machinery." (See Exhibits

And now it must be observed that one of the larg has, within the past few months, secured from the in ers here, the control for Europe of one of the great invented for printing about 10,000 square yards per doing the work of fifty men, as heretofore employe trade notices herewith marked Exhibits B, C, and D

It being true that about two-thirds of the square- oilcloth and linoleum is consumed by working peop nized home requisite as well as a factor in the produc and slippers, traveling bags, trunks, harness, etc., shown that the materials composing these fabrics, v (the cheap jute burlap foundation), are as cheap country than abroad, and that the fabrication is be ingenious steam-driven machinery, reducing the man to skeleton proportions and of the cheapest unskil paid by piece work. For these reasons oilcloths entitled to be placed on the free list, or if required t cent only the duty should not exceed 10 per cent ad costing 25 cents per square yard or less, leaving th posed on luxuries to be applied to the grades used b well-to do classes, costing more than 25 cents per s will result in minimum cost to poor consumers and to the Government.

Paragraph No. 455 of the existing tariff imposes on leather not especially provided for 10 per cent ad valorem; and on finished leathers, *i. e.*, "patent," "enameled," "japanned," including bookbinders' leathers, a duty of 20 per cent ad valorem; paragraph No. 369 imposes on finished imitation leather cloth, and all other oilcloths and waterproof cloth, costing 25 cents per square yard or less, 40 per cent ad valorem. Imitation leather cloths are used in shoe, hat, cap, trunk, traveling bag, harness and carriage making, and for bookbinding, table covers, and infants' cloths. They are cheap and efficient substitute for leather, and being used in every household should be taxed lightly.

EXHIBIT A.

[Extracts from statements of Mr. George W. Blabon before the Ways and Means Committee, Fifty-first Congress. See folios 570 to 572, Revision of the Tariff.]

The CHAIRMAN, Mr. MCKINLEY. If you had raw material free would you want a duty on your product?

Mr. BLABON. No, sir. If I get my raw material free, and if you let me import my labor, I do not ask any favor.

Mr. GEAR. You want to get your labor at the same price as is paid abroad?

Mr. BLABON. I am not a free-trading man; but if you put me on a fair equality with London or Kirkcaldy I can get along. I can get along even if our labor is not quite as low as theirs, for we have better machinery. Our plant contains the best machinery.

Mr. GEAR. Then, in order to make things equal, yon would have to reduce your wages one-half?

Mr. BLABON. Yes; we would have to bring the wages down. I want to be placed in a position where I am not discriminated against. I could get along if I were on an equality. I do not want any favors.

Mr. FLOWER. Would they do so much work for the lower wages?

Mr. BLABON. I can not say.

Mr. BRECKINRIDGE. Is your product turned out mainly by machinery?

Mr. BLABON. Very largely. In the last few years we have exerted ourself, and have spent a great deal of money for machinery.

Mr. BRECKINRIDGE. So that the mere manual labor does not cost you much?

Mr. BLABON. We have still a large amount of hand labor—printers and others. Three or four years ago I offered $50,000 for the patent of a machine that would print linoleum perfectly. I offered it to any genius who would invent a machine that would do the work, and assign the patent to me.

Mr. BRECKINRIDGE. Then you would have the patent and control it.

Mr. BLABON. Of course I would have it and control it.

M. BRECKINRIDGE. You say we use better machinery in your business in this country than they use abroad?

Mr. BLABON. Yes; I estimated the capacity of the American works as about 22,500,000 yards.

Mr. BRECKINRIDGE. How will your output compare with theirs per hand?

Mr. BLABON. I think we can do more work per hand than they can. We generally work our men on piecework. Some of our printers make $18 per week.

Mr. BRECKINRIDGE. Have you ever compared your output per hand with theirs?

Mr. BLABON. No; I have never been able to do that. They are very close there.

Mr. BRECKINRIDGE. Suppose you had everything you consume free and had no protection on your oilcloth or linoleum, would your condition be worse than it is now?

Mr. BLABON. I think not.

Mr. BRECKINRIDGE. Then my question is, suppose that all your raw materials were free of duty, and there were no protection on your product, would your condition be much worse than it is now?

Mr. BLABON. I can not say exactly. I should judge it could not be very much worse. We are bad enough off now. There is no trust among the oilcloth manufacturers. They are knife-and-pistol with each other.

Mr. BRECKINRIDGE. Did they not make a trust last fall?

Mr. BLABON. No, sir; they are very anxious for one; and if it were not for our house they could get one up in ten days; but I will have nothing to do with it. I did not build up my business on combinations and trusts, and if I can not run it on a square market I will let it alone. As regards the duty on oilcloth, I have made a

calculation that if the duty is fixed at 30 per cent ad valorem and 10 cents per square yard the foreign manufacturer can still land their goods here.

NOTE.—Since the above statement was made, perfect printing machinery has been put in operation (see Exhibits B. and C.) and the private firm of George W. Blabon & Co. has been changed to the corporation of the George W. Blabon Company. See their advertisement below.

[Advertisement.—American Carpet and Upholstery Trade Review, April 1, 1893.]

The Geo. W. Blabon Company, Manufacturers of Oilcloth and Linoleum Table and Stair Oilcloth, Linseed Oil and Oil Cake. No. 9 North Fifth Street, Philadelphia, Pa. New York Office, 108 Worth Street.

EXHIBIT B.

[Advertisement—American Carpet and Upholstery Trade Review, April 1, 1893.]

Printing Machines for Floor Oilcloth and Linoleum. Correspondence solicited. Patented in the United States May 31, 1892; December 6, 1892; July 12, 1892; March 7, 1893. Also patented in Foreign Countries. Dienelt & Eisenhardt, Manufacturers and Patentees, 1304 to 1318 Howard street, Philadelphia.

[American Carpet and Upholstery Trade Review, April 1, 1893.]

DIENELT & EISENHARDT'S OILCLOTH PRINTERS.

It has been known for some time past that Messrs. Dienelt & Eisenhardt, at their machine works, Front and Thompson streets, Philadelphia, were giving particular attention to the perfection and building of oilcloth printing machines. It is further known that controversies were had with this firm by Messrs. George W. Blabon & Co., who went so far as to file caveats at Washington to prevent the issuance of patents to Dienelt & Eisenhardt on the ground of interference. The technicalities, Messrs. Dienelt & Eisenhardt state, have now been decided in their favor and objections to their patents overruled. They are also protected in foreign countries, and the firm of Messrs. M. Nairn & Co., of England, have purchased the right for the United Kingdom.

Messrs. Thomas Potter, Sons & Co. built the first printing machines ever erected in Philadelphia. It was an impressive affair and ground out some good-looking oilcloth at first. The firm, though, were hard to please and rejected this printer for deficient execution. It stands in one of their buildings now, at Second and Venango, and casts knowing winks at the tower on the public building. Potter's next machine was one built by Dienelt and Eisenhart, and this so filled the bill that additional machines have been ordered.

Messrs. M. Nairn & Co. ought to feel very proud of their new patent. The only oilcloth printer we know of in England is that used by Messrs. Barry, Ostlere & Co., of the same town and shown below. This is a big revolving drum, suggestive of a tapestry printer and resembling no little James Dunlap's machine for printing tapestry carpets.

[Illustration of linoleum printing machine, English patent.]

Altogether, the printing of floor oilcloths has a unique history in this country. Alden, Sampson & Co. enjoyed an absolute monopoly of this remarkable discovery for sixteen years, and the extraordinary grip which they had and held on the trade for so long is partly explained by their control of this patent.

EXHIBIT C.

[Advertisement, page 37—American Carpet and Upholstery Trade Review, April 1, 1893.]

Printing Machines for Floor Oilcloth and Linoleum, manufactured under the Williams patents by The Moore & White Co., Philadelphia, Pa., U. S. A. Correspondence solicited.

PHILADELPHIA, *January 25, 1893.*

THE MOORE & WHITE CO.,
Philadelphia:

DEAR SIRS: In reply to your favor would state that the floor oilcloth printing machine you built for us in 1892, under the Williams patents, has proved satisfactory.

in every respect, both in perfect printing and general mechanism, being much superior to the other machines we have at work.

Respectfully,

THE GEO. W. BLABON CO.,
G. W. BLABON,
President.

[American Carpet and Upholstery Trade Review, April 1, 1893.]

DEVELOPMENT OF THE "BLABON OIL-CLOTH PRINTER."

The Moore & White Company in the field with a splendid machine.

The Moore & White Company have an important advertisement in this issue which imparts a new interest to oilcloth and linoleum printing. It will be recalled that Messrs. Geo. W. Blabon & Co. took up the invention in embryo of Mr. Williams, who was formerly with the Sampsons, and caused to be built from his plans and their own suggestions an oilcloth printer, which was the first ever successfully run in Philadelphia. This machine, which was built by Dienelt & Eisenhardt, did admirable work, but was not claimed as a fully perfected machine. Subsequent inventions, however, have so extended its working qualities and raised its capacity as to induce its present builders, Messrs. Moore & White Co., to offer it now to the oilcloth trade. The extensive works of this house located at Fifteenth and Lehigh avenue, Philadelphia, are admirably equipped for producing a machine so important and so minute in its points as an oilcloth printer. The Geo. W. Blabon Company are using two of these machines, and their approval of them is embodied in Moore & White Co.'s full page card elsewhere in this issue.

EXHIBIT D.

[See Carpet and Upholstery Trade Review, April 1, 1893.]

Sprowles & Houseman, General Machinists and Engineers, corner Hedge and Brown streets, Frankford, Pa., Oilcloth Machinery a Specialty. Multiple Color Printing Machines, Calendars, Embossing Machines, Improved Drying Racks, etc.

[Illustration of Duplex Color Printing Machine. John Woods' patent.]

[Advertisement—The Textile Recorder, November 15, 1892.]

Established 1852. Telegrams: "Agricola," Manchester. Telephone Nos., National 1074, Mutual, 782.

Sir James Farmer & Sons, Engineers and Machinists, Adelphi Iron Works, Salford, Manchester; Makers of Every Description of Machinery for Linoleum Manufacturers. Linoleum Machinery, throughout the entire process, for Manufacturing Floor Cloth, 2 to 4 yards wide.

Oilcloth and linoleum makers in the United States.

Name.	Factory.	Commercial agency, 1898, financial rating.	Reported and estimated capacity of works.	Manufacture—		
				Table, shelf and leathers.	Floor cloth.	Linoleum.
			Square yards.			
Thomas Potter, Sons & Co (incorperated.)	Philadelphia, Pa	$750,000 to $1,000,000	10,000,000	Table, shelf and leathers.	Floor cloth	Linoleum.
The Geo. W. Blabon & Co	do	$750,000 to $1,000,000	10,000,000	do	do	Do.
J. C. Dunn & Co	Camden, N. J	$20,000 to $40,000	500,000	None	do	None.
P. J. Murphy & Co	do	$75,000 to $125,000	500,000	do	do	Do.
R. H. & B C Reeves	do	$50,000 to $75,000	500,000	do	do	Do.
Farr & Bailey Manufacturing Co	do	$75,000 to $125,000	3,500,000	do	do	Do.
William Morris	Salem, N. J	$40,000 to $75,000	500,000	do	do	Do.
W. M. Brasher & Co	Brooklyn, N. Y	$200,000 to $300,000	(?)		do	Do.
D. Powers & Sons	Lansingburg, N. Y	$1,000,000 and over	1,000,000	do	do	Do.
R. C. Haskell & Co	do	$125,000 to $200,000	500,000	do	do	Do.
Theo. Pomeroy & Son	Utica, N. Y	$200,000 to $300,000	500,000	do	do	Do.
A. Sampson & Sons	Maspeth, N. Y., and Hallowell, Me	$750,000 to $1,000,000	5,000,000	do	do	Do.
American Lino Co	Staten Island, N. Y	$125,000 to $200,000	1,000,000	do	None	Linoleum.
Nairn Linoleum Co	Kearney, N. J	$20,000 to $300,000	1,000,000	do	do	Do.
Folsom & Sons	Canton Junction, Mass	Not reported	250,000	do	Floor cloth	None.
Additon & Strout	Bath, Me	do	500,000	do	do	Do.
C. M. Bailey & Sons	Winthrop, Me., and Hallowell, Me	$750,000 to $1,000,000	3,500,000	do	do	Do.
Amos Wilder & Sons	Hallowell, Me	$20,000 to $40,000	500,000	do	do	Do.
			30,250,000			
Atha & Hughes*	Newark, N. J	$125,000 to $200,000		Table, shelf and leathers.†	None	Do.

RECAPITULATION.

Floor-cloth makers (16)—	
Pennsylvania	2
New Jersey	5
New York	5
Massachusetts	1
Maine	4
Linoleum makers (4)—	
New York	1
New Jersey	1
Pennsylvania	2

Estimated capacity as stated by Mr. G. W. Blabon in 1890, 22,500,000 square yards.

Table, shelf, and carriage-leather cloth makers (10)—	
New Jersey	6
New York	1
Pennsylvania	2
Ohio	1

OILCLOTH AND LINOLEUM.

[From Carpets, Wall Papers, and Curtains, April 29, 1893.]

All the ingredients of oilcloth and linoleum are comprised in the cheapest known "raw materials," and there is no excuse for high prices.

What is cheaper than the fiber "jute" out of which the burlap foundation of floor oilcloth is made?

This fiber is admitted to this country free of duty and, as bagging, baling or padding, is sold at about 4 to 5 cents per square yard for the count and weight used as foundation for oilcloth and linoleum.

This cheap jute fabric of a suitable width is coated with ochery earth paint of suitable color and thickness, or a mixture of pulverized cork and oxidized oil for linoleum and dried before printing. This constitutes the body.

It may be here noted that the whole family of dry paints, ochers, umbers, siennas, browns, reds, etc., are about "as cheap as dirt," which, in reality, they are, being known as "earth paints."

They are sold by the producers in a refined state ready for grinding with oil, at from one-fourth cent to 1 cent per pound. (See Pennsylvania Paint and Ocher Company price list for April, 1893.) Cork, comparatively, is also a cheap ingredient.

The oil (vegetable and mineral) with which these are mixed by grinding costs from 15 cents to 50 cents per gallon. (See market reports in Paint, Oil and Drug Reporter.)

The incorporating of sundry pounds of earth paint with enough oil to make it a putty-like mass is not an expensive process. Spreading this on a jute fabric is quickly done.

The printing of the bodies in colors, of which white lead forms the largest part in reliable makes, is now done on a great scale by most ingenious machinery, the latest printing machine doing about 1,000 square yards per hour in eight colors, equal to the work of about 70 printers as heretofore performed.

In this way oilcloth and linoleum are now made. The art consists in so "tempering" the cloth in its numerous drying stages that the maximum toughness with rubber and leather-like qualities is produced. This gives the quality that resists friction best.

It is not the thickness that justifies the price paid, it is the toughness.

OILCLOTH PRINTING BY POWER.

[From the American Carpet and Upholstery Trade, May 1, 1896.]

The coming of the oilcloth printer constitutes one of the notable triumphs of a century already fruitful in wonderful mechanism of a kindred nature. The five American firms using power printers are: The Geo. W. Blabon Company, Thos. Potter, Sons & Co., The Farr Bailey Manufacturing Company, the Nairn Linoleum Company, and Alden Sampson & Sons. The last named were the first to use a printer in America, but the knowledge of this fact failed for sixteen years to arouse much interest or to stimulate inventors to evade or excel the Sampson patent; as the patent expired the inventors became lively. The two firms abroad printing by power are M. Nairn & Co., and John Barry, Ostlere & Co., of Kirkcaldy, Scotland. Two kinds of oilcloth printers are now available to the American trade and both are built

here in Philadelphia. Both are wonderful in execution and are marvels of showing how independent industry is of human brawn when the cunning inventor gets steam and iron to do his bidding. One printer can do the daily work of 50 men. Sampson & Sons' pioneer printer, the first ever made in this or any other country, was capable of 8 impressions per minute. The Philadelphia printers do 16 per minute. The Farr Bailey Manufacturing Company, whose spacious printing building we illustrated last year, have run off 130 pieces 8.4 goods in nine hours, being 7,920 square yards in one working day. This was a fancy test, 6,000 square yards, or 100 rolls 30 yards long, being considered a fine result in perfect printed goods.

Shall 66,000,000 consumers pay tribute beyond the need of the Government to the above aggregation? Will you sanction it?

Gentlemen, I am at your service in regard to any questions you may ask.

The CHAIRMAN. If there are no more questions to be asked, the committee will now stand adjourned until 10 o'clock to-morrow morning.

Mr. LYON. I am glad to see I have thrown so much light upon the subject that no one wishes to pursue the discussion any further.

Mr. REED. Do not pursue your triumph.

OIL CLOTH.

(Paragraph 369.)

PHILADELPHIA, *September 7, 1893.*

DEAR SIR: I read a report of the address in which it is said that 33 per cent of the price of oilcloth was paid to labor. The following is what is paid to the workmen. For hand-printing the common oilcloth, No. 4s, the price is 2 cents per yard. For coating ¼ cent per yard would be a large allowance, and for varnishing ⅛ cent would be above the actual cost. Most of this grade of cloth is printed by machine, when as high as 118 pieces of cloth, each 60 yards, have been run in a day. The cost of printing by machine must be less than 1 cent per yard. The cost of drying them, which is by steam heat, amounts to a small item per yard. If we say that the labor cost of combining the raw materials of oilcloth into its body is 3½ cents per yard we would be very liberal, and this is many times below 33 per cent of the cost of the cloth.

Yours, respectfully,

W. H. WALKER.

LINEN YARN.

(Paragraph 370.)

THE BARBOUR BROTHERS COM
New York, Septembe

SIR: After the hearing of this company on the 9th ins
ber of the committee requested information showing the co
and yarns in the United States in comparison with foreig
we are pleased to note herein facts in answer to this inqui
desire should be brought to the attention of your committ

A. 5¼ lea yarn, cost in American mills $15\frac{15}{16}$ cents per
eign price of competing quality (to-day), 9½ cents. Freigh
and shipping charges one-fourth cent. Duty, 6 cents per
tal, 15¾ cents per pound.

B. Cost of No. 18 linen thread, medium quality, $62\frac{28}{100}$ cents per pound. Cost of similar goods landed in New York, duty paid of 45 per cent, $63\frac{84}{100}$ cents per pound.

C. Jute yarn cost in United States, $5\frac{22}{100}$ cents per pound. Jute yarn cost of foreign yarns in New York, duty paid 35 per cent, $5\frac{22}{100}$ cents per pound.

The examples are an average in each class.

Of hemp and flax yarns, as noted in first example marked A, there was imported for year ending June 30, 1892, valued at less than 13 cents per pound (duty 6 cents per pound), 820,006 pounds. Of linen threads or yarns, as noted in second example, marked B, there was imported in one year (duty 45 per cent ad valorem,) 1,080,439 pounds. Of jute yarns, as noted in example marked C, (duty 35 per cent ad valorem,) 2,363,849 pounds.

The large importations are evidence of strong foreign competition notwithstanding the present duty, and American manufacturers have had the machinery and ability to make all the threads and yarns which were imported, and we have never been so busy but what we desired orders.

Ten years ago our competition was principally from Great Britain, but now we have not only British competition, but severe competition from Italy, where there is no limitation of hours for work, but the yarn factories are operated for 66 hours or more per week (while in New Jersey we are limited by law to 55 hours) and the wages paid in Milan do not amount to one-third of what is paid in the United States, and in jute manufacturing we are beginning to feel the competition of India.

In the matter of results produced by a given number of workers in the Scotch and Irish linen thread mills, results show that a greater product is obtained there than we can secure from the same number of workers in the United States.

The prices which we have taken for foreign goods are the prices which we believe to rule with standard makers, but we are constantly finding concessions from list prices, and special qualities, and special prices made, which cause goods to be landed in New York at much less than the regular market prices abroad.

Yours, very respectfully,

THE BARBOUR BROS. CO.
A. R. TURNER, JR.,
Vice-President.

LINENS.

(Paragraph 871.)

NEW YORK, *September 19, 1893.*

SIR: Representations were made to you on September 9, to the effect that a rate of 33 per cent ad valorem on all fabrics composed of flax, and the admission of raw flax free would be agreeable to the members of the American Flax Association and to the few who have for sometime manufactured a small quantity of the coarser qualities of linens, and to some of the importers of linen, and that the restoration of the rate of 40 per cent on flax thread (which was the rate under the tariff law of 1883) would be acceptable to those engaged in the manufacturing of linen threads.

As I have been engaged for twenty-four years in the importing of

linens, and do not at all fall in with such recommendations as those cited above, I beg your indulgence for a few moments while I give my views, and my reasons for asking for a rate not exceeding 25 per cent ad valorem on all flax fabrics, or, say, 25 per cent on all other than linen handkerchiefs which might bear a rate of 35 per cent.

First. It is admitted that no linens but the coarser qualities (such as crash, selling for from 5 cents to 9 or 10 cents a yard, and this made out of imported flax) can be made in this country, and therefore there is no need for a high rate of duty, as it imposes a needless tax on the many millions who consume linens. When the McKinley bill became a law, a new factory was started in Minneapolis, but after less than eighteen months of disastrous business, the attempt to make linens was abandoned, and the place has for some time been used for some other purpose, and this is only the last of a number of similar experiences.

Second. Before the war linens paid only 15 per cent for the reason given above (that they could not be made in this conntry), and when the war broke out and the Government was in sore need of revenue, the rate was advanced to 30 and 35 per cent, and this act was regarded as a "war measure."

The McKinley bill advanced the rate to 50 per cent on all linens counting under 100 threads to the square inch, and 35 per cent on all finer goods, with the proviso that the rate of 50 per cent is to be collected on all linens after 1st January, 1894 (but a later act extended this date to 1st January, 1895.) This was a piece of very heartless legislation, as it increased the rate from 35 to 50 per cent on just such goods as are most largely used by the masses of the American people, and this advance on low goods largely increased the importation of a very inferior class of goods made of mixed cheap yarn, and counting over 100 threads to the square inch, which was a very bad change for the consumer.

For many years importers of linen strongly advocated a lowering of the rate to 20 per cent, and petitions have been presented to Congress showing that linens are really the raw material of shirt makers, trunk makers, and manufacturers of clothing, and explaining that by reducing the costs of such goods an increase in business could be secured. This petition was signed by the leading manufacturers of Troy, and I now inclose a copy of it.

I may add that the very people who, on 15th September last, expressed a desire for a return to the 1883 rate on Schedule J are on record as asking for a 20 per cent rate, and they are now only influenced by the fear of making a loss on duty paid stock, which is heavier than usual, owing to the late unexampled depression in business, but this is a short-sighted view of the situation, as probably no new tariff law will be operative before July 1, 1894, and then it should provide for the admission at the new and lower rate of duty of goods in bond, but withdrawn after the new law goes into effect.

The Mills bill of 1888 provided for one rate of 25 per cent on all fabrics made of flax, and the Reform Club's tariff committee recommended 15 per cent, and said it should not in any case be over 20 per cent, and it seems to me most absurd to ask a Democratic administration elected on the tariff issue, by an overwhelming majority, and pledged to lower the tariff, to continue the excessive rate on linens, which had been objected to for years before the McKinley bill became law.

I wish to be understood as only asking for this rate on the fabric. I am not interested in flax threads, but I think the rate asked for on 9th September, 35 per cent on threads and free flax (now paying $20 a ton),

would be a very great degree of protection, as it is within 5 per cent of the McKinley rate on threads, and further asks for the advantage of free flax.

I would not like to be considered as wholly self-interested in this recommendation. I am well aware that the Government needs revenue, but I think the lowering of the rate might be expected to increase the importations largely, and in this way the reduction in the revenue represented by the lower rate would be largely or wholly offset.

Yours,

RICHARD H. EWART.

LINENS.

(Paragraph 371.)

FRIDAY, *September 15, 1893.*

STATEMENT OF E. R. BIDDLE, LINEN IMPORTER, OF NEW YORK.

On behalf of the Linen Trade Association of the City of New York, which practically numbers among its members all firms in New York making a specialty of importing manufactures of linen, and who import as near as can be estimated 75 per cent of such manufactures imported into the United States, which for the fiscal year ending June 30, 1890, amounted to $16,235,000, and on which over $9,800,000 of duties were collected that year, beg to submit a few facts concerning Schedule J.

We recommend that manufactures of flax coming under paragraph No. 371, now paying rates of duty of 35 and 50 per cent ad valorem, and in paragraph No. 373 handkerchiefs embroidered and hemstitched composed of flax, jute, hemp, cotton, or other vegetable fibers paying a rate of duty of 60 per cent ad valorem; and paragraph 368, hydraulic linen hose, now paying specific duty of 20 cents per pound, should in the new tariff now being considered by your committee be grouped in one paragraph, paying a uniform ad valorem rate of duty of 35 per cent.

In the present tariff the different rates of duties imposed, and the conflicting construction put upon them by the Treasury Department on the one hand, and the importers on the other, has led to annoying and costly litigation, which in a vast number of cases have been decided adversely to the Government by the United States courts, who have been obliged to refund large sums collected. All this trouble and expense might have been saved both the Government and the importers if the rate of duty had been a uniform one and the wording not so ambiguous.

In connection with the foregoing we would recommend that such uniform rate of duty be 35 per cent ad valorem on all manufactures of flax, or of which flax is the component material of chief value (there has not been any lower rate since the tariff of 1862). There are no manufactures of woven flax fabrics in this country, and not likely to be, worth mentioning, excepting the Stevens Linen Works, in Massachusetts, who confine themselves entirely to producing cheap grades of crash. There is therefore no reason for a heavier duty than 35 per cent ad valorem, as it don't protect or foster any interest other than mentioned in this country. We would also say that Messrs. Barbour and Turner, who appeared before you on the 9th instant on

behalf of such manufactures as do exist, stated their reason and desire for this 35 per cent duty. It is the opinion of the Linen Trade Association that any lower rate of duty is not desirable.

Prior to the passage of the act of October 6, 1890, commonly known as the McKinley tariff bill, we were working under a nearly uniform rate of duty of 35 per cent ad valorem on manufactures of flax embraced in paragraphs Nos. 371 and 373, which rate we did not find oppressive, and yielded the Government the large revenue referred to, but the act of October 6, 1890, provided for a largely increased rate of duty on every article embraced in these paragraphs, ranging from 15 to 25 per cent ad valorem advance. Before the act was finally passed, however, rates of duty were proposed considerably in excess of those finally decided upon, the agitation of which caused a great disturbance to and curtailment of business throughout the trade until it was finally known what the rates of duties were actually to be. This is illustrated by the following figures:

The average importations of linens in 1889 and 1890 under 35 per cent duty ranged from 14,750,000 to over 16,250,000, and the duties collected on 16,250,000 were $9,800,000.

Since act of 1890 importations diminished in 1891 to about 5,000,000 and the duties collected to $1,737,000. Restoration of 35 per cent uniform duty would increase importations to the average maintained in former years, say 15,000,000, and yield corresponding increase in revenue therefrom. Such uniformity would enable us all to do our business on a certain basis, without any possibility of differences of opinion arising as to what classification and what rate is applicable, and the 35 per cent rate being in every view just to the Government and the public, would be maintained hereafter, a most desirable result for the stability of trade.

It is also especially desirable that a change should be made in the matter of handkerchiefs, on which there has been a great conflict as to what the proper rate of duty should be, owing to handkerchiefs being classified in both Schedules I and J, and which we suggest should read as follows:

All handkerchiefs, hemmed, hemstitched, scalloped, embroidered, or lace-edged, manufactured from flax or cotton, or of which these substances or either of them is the component material of chief value, 35 per cent.

In closing would say, the Linen Trade Association feel that the rate of duty asked for is the fairest to all concerned, as it makes a material reduction in the rates of duties now imposed on manufactures of flax, or of which it is the component material of chief value. It yields the Government a large revenue and is not in any sense a protective duty, but one of revenue only, because there are no interests to protect in this country except those we heretofore mentioned.

E. R. BIDDLE,
For the Linen Trade Association of New York.

Mr. PAYNE. Where did the people get the other $10,000,000 worth of goods?

Mr. BIDDLE. I can not answer that.

Mr. PAYNE. Has the average been $5,000,000 worth since 1890?

Mr. BIDDLE. I can not answer that.

Mr. PAYNE. Would you propose an amendment on the clause relating to manufactures of flax, including collars, cuffs, and shirts?

Mr. BIDDLE. No, sir. I would let these things come in under the head of wearing apparel or of white linen.

Mr. PAYNE. You would not make a reduction by taking off any. Collars and cuffs are now under a specific duty?

Mr. BIDDLE. I do not touch collars and cuffs.

In the above statement the importations of linen in 1891 are stated at about $5,000,000, an unintentional error in figures arising from the fact that in the statistical report for 1891 the manufacturers of linen were not grouped together in such form as to make clear the true importations. At Mr. Biddle's request we correct the statement as follows:

It appears from such statistical report for the fiscal year 1891, that up to the time of the tariff act of October 9, 1890, the value of importations of *all* linen was given as $4,965,410.85. Further on in the same report there is given the importations of manufactures of flax or hemp, dutiable at 50 per cent, $2,646,750.15, and the importations of manufactures of flax, containing more than 100 threads to the square inch (fine linen), duitable at 35 per cent, at $6,028,240.13. These items would aggregate a total for the fiscal year 1891 of $13,640,401.13.

There is also the report of importations of laces, edgings, embroideries, insertings, handkerchiefs, etc., a part of which undoubtedly were of linen manufacture and duitable at 60 per cent, aggregating in value $1,578,715.49. What portion of this dutiable importation, under this head, was of such articles composed of linen can not be accurately told.

For the year 1892 the importations of coarse linens, dutiable at 50 per cent, is given in this report at $3,911,377.70, and the fine linen (counting over 100 threads) at $9,088,429.28, or a total of $12,999,806.98.

For the years 1889 and 1890, the importation of these linens amounted to $14,750,000, and to $16,250,000 respectively.

Respectfully,

BRITTON & GRAY.

SHIRTS, COLLARS, AND CUFFS.

(Paragraph 372.)

SATURDAY, *September 9, 1893.*

STATEMENT OF MR. ADOLPH ROSENFELD.

MR. CHAIRMAN: With the permission of the committee, I will read a written statement which I have prepared.

Mr. Chairman, I beg to say that I am an importer doing business in the city of New York. I import linen cuffs, collars, and shirts; all this class of merchandise paid puty at 35 per cent under the act of March, 1883. Under the tariff act of 1890 these goods are provided for at a rate of duty averaging from 70 to 85 per cent, or at least double the rate prescribed by the tariff act of 1883.

I respectfully urge upon your committee that a duty on goods of such general and common use that they have become a necessity to nearly sixty millions of people of this land, should not be taxed so highly for the benefit of a comparatively few citizens. The goods that I bring into this country affect two concerns principally, which are united, according to the common knowledge of the trade, and as evidence of this fact prices are adjusted to them in common, a written

contract is made providing that the retailer can not dispose of any goods except at a price which is stipulated in the said contract by them. Your committee can easily understand how, under an arrangement of this character, on the one hand that destroys fair foreign competition by the adjustment of unquestioned excessive duties by Congress, and on the other hand compels, by an arrangement more dastardly than any trust could impose, the buyer to charge the consumer an excessive price makes cause and effect at once too plain for argument.

These concerns are enabled through the threats that I have referred to, assisted by legislation, to fix the selling cost to the consumer at a price that convinces me from knowledge that I possess of the cost of manufacture that yields them a profit of at least 75 per cent.

I believe that justice to the consumer as well as to the manufacturer may be secured by the reduction of the rate of duty in the proposed new tariff bill on linen cloth of, say, from 35 per cent to 25 per cent, and fixing the rate of duty on the finished articles 35 per cent. This, in my opinion, would be an adjustment of like benefit to all.

I wish to say to the committee that, in making this short statement, I am not controlled by selfish interests wholly, because under the tariff of 1890 my importations have not been diminished.

What I have said is in the interest of the people of America, of which I am proud to be a citizen.

Yours, very respectfully,

A. D. ROSENFELD.

NEW YORK, *September 4, 1893.*

Former and present rates of duty for imported collars, cuffs, and shirts.

	Old rate of duty.	Present rate of duty.
	Per cent.	
Shirts	35	55 per cent.
Collars	35	40 per cent and 30 cents per dozen.
Cuffs	35	40 per cent and 60 cents per dozen pairs.

The duties paid on collars and cuffs is 40 per cent ad valerum, or 30 cents for each box of collars. On a dozen pairs of cuffs, it is 40 per cent ad valorum. Shirts are 55 per cent. instead of 35, as under the old tariff. There are a few manufacturers with whom I come in contact who make, perhaps, from $4,000,000 to $5,000,000 worth of goods. The goods imported amount, perhaps, to from $100,000 to $125,000. I import our better class of goods. As to shirts it is hard to say. Shirts are made to order. We cannot state as to them.

Mr. PAYNE. I suppose these goods are largely made in Troy; and I believe they employ some 15,000 people.

Mr. ROSENFELD. They employ at least that number. They have a single factory there that employs from 1,100 to 1,800 people. There is one man alone who handles about $2,000,000 worth of goods, and our importation amounts to about $150,000 a year. One concern in Troy sells these goods at about $2 a dozen. They make us retailers sign a contract not to sell them for less than 25 cents. That is not done to protect the retailer, but only to keep up their own prices, and the retailer is compelled to charge the consumer this price of 25 cents, so that the manufacturer of the collar can make profits of at least from 75 to 100 per cent.

Mr. GEAR. You say the manufacturer makes profits of 75 to 100 per cent.

Mr. ROSENFELD. Yes, sir; because we can sell the same goods and pay 40 per cent ad valorem on each box. It does not make any difference how much the dozen of collars cost. I have to pay 60 cents on each dozen pairs of cuffs. I have to pay a duty on the box which contains shirts, collars, and cuffs.

Mr. PAYNE. These goods were imported quite largely in 1889 and 1890, were they not?

Mr. ROSENFELD. There were other manufacturers who imported a little.

Mr. PAYNE. Were not more imported in 1889 than at any other time?

Mr. ROSENFELD. I do not think so, because my business did not increase. It was more on account of the manufacturers who tried to drive me out of business that I complained.

Mr. PAYNE. Did they not have a strike in Troy, which caused a large importation of collars and cuffs?

Mr. ROSENFELD. There was a strike in 1886.

Mr. PAYNE. At that time, did not the manufacturers go abroad to get their manufactured goods, and thereby make large importations, following 1890?

Mr. ROSENFELD. I do not think the importations amounted to more than $200,000. There were only goods imported by a few retail houses in New York, and they were imported from England. Since 1886 I have imported goods myself. The strikes in 1886 were when hardly any imported goods were in the market.

Mr. GEAR. How much more do you charge for collars and cuffs now than then?

Mr. ROSENFELD. Five cents a dozen more. They used to be $1.95; they now sell for $2.00.

Mr. GEAR. What was the increase in the tariff?

Mr. ROSENFELD. The increase in the tariff was 35 per cent ad valorem on shirts and collars and cuffs.

Mr. GEAR. You charge 2½ per cent of an advance?

Mr. ROSENFELD. Five cents on $2 is 2½ per cent.

Mr. GEAR. The duty is 35 per cent. What was the duty prior to 1890?

Mr. ROSENFELD. It was 40 per cent duty instead of 30, and it was 30 per cent additional specific duty and 60 cents for each dozen pairs of cuffs.

Mr. GEAR. What per cent of increase was that?

Mr. ROSENFELD. At least 40 per cent.

Mr. GEAR. And you only got 2½ per cent increase in your price?

Mr. ROSENFELD. Yes, sir.

Mr. PAYNE. That leaves the foreigner to pay the balance.

Mr. ROSENFELD. They could not sell much cheaper.

The CHAIRMAN. The foreigner is practically excluded from the market?

Mr. REED. But still he imports some.

Mr. ROSENFELD. I import some.

Mr. REED. Just the same as before?

Mr. ROSENFELD. Just the same as before.

Mr. REED. What I am trying to get at is as to the amount distributed between the poor consumer and the unfortunate foreigner.

Mr. PAYNE. They are sold at 25 cents, the same as before.

Mr. ROSENFELD. The retail price is the same.

Mr. REED. And the consumer gets along just as well?

Mr. ROSENFELD. The retailers made more money because they got them cheaper from me. When I charge $1.95 I mean on a higher grade of goods, which is made according to the height of the collar and the linen and muslin.

Mr. REED. Of this 40 per cent 2½ per cent comes out of the retailer. Now, how much of it comes out of the consumer?

Mr. ROSENFELD. Pretty nearly all of the balance. Manufacturers make a reduction and I stand the loss.

Mr. REED. You had 37½ per cent before?

Mr. ROSENFELD. Yes, I had not such a fine thing. The duty is too much now.

Mr. REED. The 37½ per cent is what you want reinstated.

Mr. ROSENFELD. If possible.

Mr. REED. That is what you mean. You formerly made 30 per cent, and you want to make 37½ per cent?

Mr. ROSENFELD. Yes, sir; the manufacturer makes 75 to 100 per cent.

Mr. REED. Do you know positively about that?

Mr. ROSENFELD. I know how much it costs the manufacturer on the other side. We have to pay duty on collars and cuffs, the same as the Troy manufacturers pay.

Mr. REED. The Government gets the increased revenue on those. You import the same quantity as before. The Government makes this revenue. That seems to be the way the law affects the poor consumer, and the Government does not get hurt.

Mr. ROSENFELD. The consumer pays $1.50, and we can sell them at about $1.25. That would not affect a man who buys a single shirt or collar. The average price is about 25 cents. The consumer can get imported goods somewhat cheaper. Shirts that we buy at $1.25, and get a better article, cost in the market to-day from $1.50 to $1.75.

Mr. REED. Does the consumer pay that now?

Mr. ROSENFELD. Yes, sir.

Mr. REED. Why does he pay more for his collar now? The exigencies of the situation seem to be reviving your memory.

Mr. ROSENFELD. A man generally does not want to pay more than 25 cents for a collar.

Mr. REED. The consumer gets along just as well and the Government gets more revenue. Why change if the object of the Government is to get a revenue which it needs?

Mr. ROSENFELD. I do not see that anyone gets any benefit. I have been for six years an importer in America. The best proof of the increase of price is that I get a higher price for goods. My sales did not increase, although I sell my imported goods for less money.

Mr. REED. How much do you want taken off?

Mr. ROSENFELD. I would be satisfied if I could get the old duty, under the law of 1883.

Mr. PAYNE. He is content with 37½ per cent.

Mr. ROSENFELD. I am satisfied with the 37½ per cent and they are satisfied with from 75 to 100 per cent.

The CHAIRMAN. You would like to get in on the ground floor with the manufacturer, who is making 75 per cent.

Mr. REED. Which manufacturer, the British or the American?

The CHAIRMAN. The American, who is protected by these rates.

Mr. TURNER. Is the American manufacturer not getting along and prospering on the present rate of duty?

Mr. ROSENFELD. Yes, sir.
Mr. TURNER. Your profit has run down considerably?
Mr. ROSENFELD. Yes, sir.
Mr. TURNER. And the manufacturer is getting along well?
Mr. ROSENFELD. He is getting along just as well; I suppose because the amount of importation is so small that it can not affect him.
Mr. TURNER. You would like to share the profit with the manufacturer?
Mr. DALZELL. He has not stated that the American manufacturer makes more.
Mr. TURNER. I will ask you if the American manufacturers are not getting along well on this tariff.
Mr. ROSENFELD. First rate. They combine, form trusts, and keep up prices.
Mr. TURNER. While the manufacturer is making money you would like your share of it, no doubt?
Mr. ROSENFELD. Yes; but I make much less than they do. They make from 75 to 100 per cent, and I think a man in business ought to make 35 per cent.
Mr. PAYNE. Do you know of any man making 10 per cent?
Mr. ROSENFELD. (Misapprehending.) No, sir.
Mr. PAYNE. Then why do you say they are making 75 per cent?
Mr. ROSENFELD. I know how much it costs to produce a dozen collars.
Mr. PAYNE. Do you mean across the water?
Mr. ROSENFELD. No, here.
Mr. PAYNE. In Troy?
Mr. ROSENFELD. It is easy to figure it out.
Mr. PAYNE. Still you do not know anybody who is making 10 per cent on collars and cuffs.
Mr. ROSENFELD. Well, I had a chance to make more.
Mr. PAYNE. You do not know anyone making 10 per cent on shirts and collars—in Troy, for instance?
Mr. ROSENFELD. They make more than 10 per cent.
Mr. PAYNE. What firm is doing that?
Mr. ROSENFELD. Every one.
Mr. PAYNE. Name one.
Mr. ROSENFELD. Cluett, Coon & Co.
Mr. GEAR. How do you know they are making from 75 to 100 per cent?
Mr. ROSENFELD. If I import a dozen collars at 48 or 50 cents, that is equal to about $1, and I pay the freight charges on it to the seaboard, I pay 40 per cent ad valorem, and 30 per cent on each box of collars and sell them for $2 with a discount. I think that is the way to figure out how much the domestic manufacturer makes if he saves those freight charges.
Mr. PAYNE. What is the cost of these goods in Berlin?
Mr. ROSENFELD. I do not think they cost more than 10 cents.
Mr. PAYNE. What is the difference in wages?
Mr. ROSENFELD. At the same time that a girl makes perhaps three-fourths more wages here, say in Troy, she has costs of living which are just about equal to that.
Mr. DALZELL. Do you know how much it costs in wages in Berlin?
Mr. ROSENFELD. At least from 30 to 35 marks.
Mr. GEAR. How much is that?
Mr. ROSENFELD. About $8. We have work for our girls right

along. We do not close up for a month or two in the summer. We employ a good many girls.

Mr. PAYNE. Then the girls who come over here must go back?

Mr. ROSENFELD. Yes, sir; if a girl comes here and gets $12 a week, she does not know how much her living expenses will be.

Mr. PAYNE. Then she goes back?

Mr. ROSENFELD. Well, it is hard for her to raise money to get back.

Mr. PAYNE. How does she raise money to get over here?

Mr. ROSENFELD. I do not know.

Mr. PAYNE. Do not relatives send it to her?

Mr. ROSENFELD. Sometimes.

Mr. PAYNE. In fact, are they not obliged to have assistance?

Mr. ROSENFELD. O, yes, sir.

COLLAR AND SHIRT MANUFACTURE.

(Paragraph 372.)

WEDNESDAY, *September 13, 1893.*

STATEMENT OF MR. CHARLES H. CORLISS, OF TROY, N. Y.

For the reasons given below we respectfully urge that clause 372 of the customs laws of 1890 remain unchanged.

First. The tariff of 1883 gave us no recognition and practically no protection, and the advent of German collars, cuffs and shirts made a substantial protection necessary.

Second. The protection afforded by the customs laws of 1890, while not excluding foreign goods, gave material support to our industry, to the extent of enabling us to continue manufacturing, keeping our help employed, and the output from being diminished, as was threatened by the German goods. The German goods had found a place on retail shelves and were growing in demand. To-day the foreign collars, cuffs, and shirts are not greatly in use, except in ultra-fashionable styles for use by those who regard foreign manufacture as a symbol of fashion.

Third. Our trade has not been enlarged by protection, it has been saved; prices to consumers have not been advanced in any instance, but have generally been reduced. Any reduction in the protection now given us would afford ready entry for foreign goods, which prior to 1890, owing to their cheapness, were growing in use, and the sale of them had increased to an extent that curtailed home production.

Fourth. We consider that the preservation and continuance of our business is due to the support given us by your committee, who gave us our first recognition as an industry, and finally by the law of 1890 gave us protection.

Fifth. The collar and cuff business is localized in the hands of about thirty manufacturing concerns, among whom there is no combination or trust, but, on the contrary, a sharp and spirited rivalry and competition exists, compelling the offering of the production at the lowest prices at which they can be made. Our whole community largely depends upon its success for support; though the whole American people use our product, paying therefor popular prices which are within the reach of all, and nowhere is it claimed that American collars are not cheap and nice; the price not having been increased by protection. (See Exhibit A, affidavits.)

Sixth. The manufacture of shirts is not confined to our community (though it is a large portion of our business), but is an industry widely scattered throughout the whole country, especially where there are assemblies of skilled workingmen, thereby giving employment to the women and children of their families, as for instance, near great harvesting-machine works, car and carriage factories, as in Hoosick Falls, N. Y., and South Bend, Ind.

Seventh. The protection given us as manufacturers has been of the utmost benefit to the community and to the workers, as over 60 per cent of the cost of production is paid for labor, and fully nine tenths of the labor is performed by women, who if deprived of this wage-earning occupation would be without employment, as no other industry in our locality can furnish them support.

All of which is respectfully submitted on behalf of the collar and shirt manufacturers of Troy, N. Y.

CHARLES H. CORLISS,
EDGAR K. BETTS,
EDWARD O. HOUSE,
Committee.

Messrs. Cluett, Coon & Co., Troy, N. Y., make the following statement, September 6, 1893:

That the samples of collars we exhibit under our trade-marks as follows: Domino Brand and Watch Brand, are better goods, and are sold by us for less money than we were getting previous to the customs law of 1890.

That the collars exhibited under our trade-marks Arrow Brand, Coon Brand, and Cluett Brand are being invariably sold by us at the same prices we were charging for similar brands prior to 1890, and that they are superior to the goods we were making before that period, and in no instance has the price been increased.

That the samples we submit of the before-mentioned five brands of collars are taken from regular goods in our stock, are of our own manufacture, and were not made in any sense with a view to their connection with this affidavit.

That the conservation of our business by the law of 1890 has enabled us to continue our production and to give employment to our workers, but has not furnished scope for increase of prices or profits.

CLUETT, COON & CO.

Various affidavits to the same effect were also filed.

STATISTICS COLLAR AND SHIRT BUSINESS.

Troy collar and shirt manufacture.

[From latest statistics obtainable, and which are substantially correct to-day.]

Capital employed	$5,000,000.00
Annual sales	$9,902,685.49
Annual wages paid	$4,289,299.45
Whole number of employés	15,749
Percentage of wages	44½ per cent of sales 60 per cent of costs

The Troy business is about evenly divided between collars and shirts. The Eleventh Census does not mention concerns manufacturing collars only.

Shirt manufactures in the United States.

[Extract from Eleventh Census United States, regarding the manufacture of shirts in the 113 cities.]

Capital invested	$12,151,900.00
Value of product	$28,149,771.00
Persons employed	*26,560

* Of whom 8,713 are in Troy, N. Y.

Mr. CORLISS. Now, gentlemen, I want to offer in evidence here a Berlin invoice, dated August 10, 1893, describing a collar made in imitation of that sample. This is one of the dozen; we sent abroad and ordered goods like it. That collar is invoiced at 4 marks and 75 pfennigs, which equals, duty paid, $1.98. This is the style of collar [exhibiting same] such as is ordinarily sold at 25 cents. They sell at $2 a dozen. On the same invoice is a collar billed at 3 marks and 50 pfennigs, which equals $1.43.

Mr. DALZELL. That sells for a quarter?

Mr. CORLISS. Yes, sir; it retails at 25 cents and costs, according to these figures, $1.98; that is the first collar. I wish to offer a collar which is offered now from samples furnished by an importer in New York City. This is the collar at 1 mark 80 pfennigs which can be sold here to-day at 77 cents, less 6 per cent.

Mr. BRECKINRIDGE. Are these prices duty paid?

Mr. CORLISS. Yes, sir; duty and freight paid. The collar we were able to secure to bring on here, showing an equal amount of cloth as this and which we offer, cost to make 81 cents, and they sell that here at 77 cents with the present duty. I offer here a collar from the same lot, which is billed here, we have the invoice, at 3 marks and 48 pfennigs. It can be landed to-day, duty paid, at $1.41. This article, which is equal to it, is sold by the Troy manufacturers at $1.50 instead of $1.41, and it costs $1.33½, showing 7½ cents per dozen profit, equal to 5½ per cent profit. That collar was made by a man who was described by a gentleman who recently appeared before your committee as getting 75 per cent profit.

Mr. PAYNE. Who is that, Cluett, Coon & Co.?

Mr. CORLISS. Yes, sir. Here is a collar made by Cluett, Coon & Co. which costs $1, less 6 per cent, 94 cents, which costs 87 cents and gives 6½ cents profit, which is equal to 7½ per cent. Here is one that he sells at $1.10, perhaps one of the most popular styles he makes. The collar that the Troy people sell the most of, perhaps 60 per cent, are sold at $1.10 per dozen. This collar costs 95 cents, sells at $1.03½ net, a net profit of 8 cents, which is 8½ per cent profit. Here is one of the more expensive collars which retails at $2 per dozen, less 6 per cent, $1.88, costs $1.68, 20 cents profit, which is 12½ per cent. It is an extreme style and perhaps is entitled to bear as much as that. Here is a collar that is sold at 85 cents, less 6 per cent—understand these are advertised prices—and it affords him a profit of 1½ cents per dozen, which equals 2 per cent profit. We are prepared to substantiate these figures, sir. I would like to say here the German collar—I will take the first one I happen to pick up. The invoice gives it at 4 marks and 29 pfennigs, and it costs, duty paid, landed in New York, $1.80, less 6 per cent, equal to $1.69 net, and it costs us $1.33 to produce that collar in Troy, and in that estimate there is nothing whatever for shop expenses or anything of that kind.

Mr. DALZELL. Or labor and material?

Mr. CORLISS. That is the cash cost paid out.

Mr. PAYNE. Is that so in all cost prices of your statement?

Mr. CORLISS. No, sir. The other estimates are in there. I was comparing this collar and I undertook to show what a profit was being made there, and besides that we did not have all the time——

Mr. PAYNE. What is the average profit?

Mr. CORLISS. It is hard to say; we get 6 per cent. I would like to show the profit on a shirt I have here, where we show our German friends make a profit. I have many more which I can show you. You

see as these collars have found a sale now if the duty was taken off that they would have an advantage over us. Here is a shirt that is made in Berlin and sold in this country at $13.50 a dozen. Here is an American-made shirt that cost $10.34 made in imitation of it. It makes a profit of $1 per dozen, which is 7½ per cent.

In this connection I wish to say something about the invoice value of perhaps that identical shirt. This shirt is made by Cluett, Coon & Co., and I have here the figures of cost. The firm of Levi, Wechsler & Co., of Paterson, N. J., yesterday handed me the estimated cost of a shirt which they sell at $11, showing by these figures a net profit of 5 per cent. Now in regard to a shirt like this they claim they have possession of an invoice of a German shirt maker, and it is billed at 24 marks, $4.76, duty and freight paid equals $9.27. That shirt sells at $13.50, less 6 per cent, paying a profit of 26 per cent, while our manufacturer here is satisfied if he gets 5 per cent. Messrs. Cluett, Coon & Co. make a similar shirt for which they get 7½ per cent.

I have here some statistics in regard to wages which are paid. I understand that a statement was made here that the industrious German laborer got $8.75 or $8 per week.

Mr. PAYNE. A girl?

Mr. CORLISS. We were not prepared to believe that, so we sent a telegram abroad to "please telegraph us how much an operative earned a week in a German shirt factory." The answer is from Billefeld, Germany: "Here 6 to 15 marks per week," which reduced to United States currency will be $1.44 to $3.60 per week. We also cabled to Glasgow to a correspondent there. The same inquiry was made and the answer is: "Average in Glasgow about 12 shillings and 6 pence per week for cutters and machinists," which would be $3 per week.

Now, I have some statements made here by American manufacturers and it so happens in this case that not one of those manufacturers giving these statements knew for what purpose they would be used, so they were given to us without collusion. Levi, Wechsler & Co. say: "Our pay roll shows an average earning of $7.93 per week for each operator." Cluett, Coon & Co. say: "We have gone carefully into the matter of average weekly earnings of our female shop operatives on shirts, collars, and cuffs, and find that they earn $8.12 for each person." This is against the $2.40 average. Hutchison, Pierce & Co. say: "We beg leave to say that we have carefully investigated the amount of wages paid to our female employés and find that the average earnings of each operative working full time is about $7.75 to $8 per week."

We have here a statement of Hutchison, Pierce & Co., showing the value of the linen in the shirts. We have asked different manufacturers of shirts what relation the linen used in the shirt bore to the cost of the whole shirt, and we find it is about 6 cents. Now, on collars we show that the average cost of linen is about 15 per cent. That leads me to say that in the testimony given here on the 9th by Mr. Turner, representing the concern of Barbour Brothers, he gratuitously gave a fling at the collar industry. They say if you change clause 371 so that all linen shall bear 35 per cent duty, then the collar and cuff manufacturers can afford to reduce prices. If you read closely the paragraphs from 371 to 375 you will find that we will remain exactly where we are now. Then again, in reply to gentlemen who speak about our affairs we wish to retort by saying that linen now, such as we use, is all under the 35 per cent clause, and it would be no benefit to us to remain as it is. We have had it intimated to us by importers of linen that they

would be satisfied with the duty of 35 per cent for all goods. We have it in documentary evidence. If the whole range of linen was to be placed at 35 per cent, they would be satisfied, because perhaps their machines are adjusted to certain values.

Mr. PAYNE. All your linens come in now——

Mr. CORLISS. At 35 per cent.

Mr. PAYNE. So it would not make any difference.

Mr. CORLISS. If you would reduce it to 25 per cent, in the case of a dozen shirts it would amount, the difference between 35 and 25, seven-tenths of 1 per cent per dozen, and on collars and cuffs it would be only 1½ cents a dozen.

Mr. BYNUM. What proportion of the manufacture of shirts is labor?

Mr. CORLISS. Sixty per cent.

Mr. PAYNE. Seven per cent linen and the rest cotton?

Mr. CORLISS. The ratio of the value of the linen to the value of the whole shirt is 7 per cent.

Mr. BYNUM. It only costs 7 per cent to make the bosom and the balance to make the shirt?

Mr. CORLISS. In linen only.

Mr. BYNUM. You were talking about 7 per cent.

Mr. CORLISS. That is the relation of the cost of the linen to the cost of the whole finished shirt.

Mr. BYNUM. What is the cost of the shirt made up of except materials and labor?

Mr. CORLISS. Well, there are the factory expenses, boxing and cost of handling, etc., added.

Mr. STEVENS. What is the per cent of the labor on the whole shirt?

Mr. CORLISS. Sixty per cent.

Mr. STEVENS. Seven per cent is the linen and the rest cotton?

Mr. CORLISS. Gentlemen, I would be glad to say anything further if you desire.

Mr. PAYNE. Is there any combination among the shirt or collar manufacturers of the country?

Mr. CORLISS. Not of any kind. Every man is fighting for his bread up there.

Mr. PAYNE. Is there any rule by which the retailer is compelled to not sell the collars for less than 25 cents?

Mr. CORLISS. There is an agreement of one manufacturer with his customers that such should be the case, and if you wish I will tell you why that was brought about.

Mr. PAYNE. One manufacturer out of how many?

Mr. CORLISS. Thirty.

Mr. PAYNE. What do collars actually sell for at retail?

Mr. CORLISS. You can buy them from 8 cents up to 25.

Mr. PAYNE. According to the grade?

Mr. CORLISS. Yes, sir.

Mr. PAYNE. As I understand it, you had the trade of this country in ollars and cuffs up to the time of the strikes in Troy?

Mr. CORLISS. Yes, sir.

Mr. PAYNE. Then the trade went abroad?

Mr. CORLISS. Then it was first discovered that the German shirts and collars could be imported. At all times previously it was possible, but it was not known. They discovered that they could be imported to this country, and it was immediately followed up by importation.

Mr. PAYNE. That was in 1889?

Mr. CORLISS. It began in 1887, and kept up in 1887, 1888 and 1889, and seriously curtailed our production.

Mr. PAYNE. And in 1887 it threatened to wipe out the industry.

Mr. CORLISS. It crippled us somewhat seriously.

Mr. PAYNE. How many people are employed in the city of Troy in this business?

Mr. CORLISS. About 16,000—upwards of 15,000.

Mr. PAYNE. A large percentage of collars and cuffs were made in Troy?

Mr. CORLISS. Fully 90 per cent.

Mr. PAYNE. How about shirts?

Mr. CORLISS. About one-third, I should say, according to the statistics.

Mr. HOUSE. One reason why there can be no trust formed, as far as collars and shirts go, is, that anyone can go into the business who has a few hundred dollars and buys a sewing machine.

Mr. PAYNE. There are a number of concerns in the business?

Mr. HOUSE. Thirty.

Mr. PAYNE. And in the shirt business, I suppose the number is limited?

Mr. HOUSE. About 12, I believe. Oh, no; 776 establishments manufacture shirts.

Mr. PAYNE. Do I understand you to say these importers appearing here complaining of the duty are actually making 26 per cent upon these shirts?

Mr. CORLISS. We undertake to show that.

Mr. PAYNE. The statement was made here that the Troy people were making 75 per cent profit.

Mr. CORLISS. We would like to see that, even in our dreams.

Mr. PAYNE. You say that is not so?

Mr. CORLISS. It will barely average 6 per cent. We have one exhibit which shows 12½, but that is an extra costly exhibit, and we have shown all the way from that down to 2 per cent.

Percentage of duty at rate of 40 per cent ad valorem and 30 cents specific on collars.

Goods costing in Berlin—	Per cent.	Goods costing in London—	Per cent.
3 marks	=68	4*s.* 6*d.* sterling	=68
4 marks	=71	5*s.* sterling	=65
4½ marks	=68	5*s.* 6*d.* sterling	=62
5 marks	=65	6*s.* sterling	=61
6 marks	=61	6*s.* 6*d.* sterling	=59

PROOF.

1 dozen collars in Berlin, at 5 marks, =1.20

40 per cent.

48

30 cents per dozen specific.

120).78

65 per cent.

COLLARS AND CUFFS.

(Paragraph 372.)

NEW YORK, *September 22, 1893.*

I give you my views on the tariff question in regard to the manufacture of collars, cuffs, and shirts. A good hand can by ten hours labor perform the following work on turn-down collars:

	Germany.	America.	
	Berlin.	Earl & Wilson, Cluett, Coon & Co.	Tim & Co., Miller, Hall & Hartwell.
	Pfennig.	*Cents.*	*Cents.*
100-yard linen, 280 dozen	50	12½	12½
100-yard muslin, 280 dozen	10	2½	2½
194-yard muslin, 300 dozen	21	5½	5½
180-yard muslin, 285 dozen	18	4½	4½
Interlining	7	1¾	1¾
Cutting 300 dozen a day	1½	1½	1½
Running 80 dozen tops	1½	2½	1½
Turning 20 dozen tops	6	4	3
Stitching 80 dozen tops	3	3	2
Banding 60 dozen (3-ply)	4	6	4½
Turning band, 24 tops	8	6	4½
Stitching band, 50 tops	4-134	4-53½	3-46½
Buttonholing by machine	4-138	4-57½	3-49½
Buttonholing by hand	30-164	15-68½	12-58½
Collar finished by machine, per dozen	138	57½	49½
Collar finished by hand, per dozen	164	68½	58½

Above calculation is for collar not laundered.
To manufacture a dozen collars costs—

	Berlin.	Earl & Wilson.	Tim & Co.
	Pfennig.	*Cents.*	*Cents.*
Machine buttonholing	32	30	22
Hand buttonholing	58	42	32

There are no manufacturing expenses yet added; our rent is much higher; a forewoman in Germany gets 12 marks ($3) a week; Tim & Co. pays $12 and $14; Earl & Wilson pay more; an engineer gets in Germany 10 marks a week and in America $12 to $15; clerks cost more here than in Germany. The laundrying part in Germany is just as high as here, because in Germany most all collars are ironed by hand, while in this country ironing machines are in use. If a laboring hand (girls) made 2 marks a day, which very few earn, is considered as big a pay as if our hands earn $2, because a German girl can get along better and are not used to the living of our girls. The American working girls, on collars, never go to work without hats, gloves, or jackets, wear veils, good German stockings, drawers, good shoes, drink soda water, eat ice cream, bananas, eggs, chickens, ham sandwiches, buy jewelry, go to theaters and concerts, and spend their earnings freely. And what does the German girl do? Wears no hat to go to work in, no gloves or jackets, but a shawl, a calico dress and apron, no drawers, a good hand-knitted stocking, good for a year, good heavy shoes (but no wooden ones); they never indulge in ice cream or soda water, chicken or broiled steak, except perhaps on Christmas or at a wedding. A good

reason why, because they can't afford it; but our girls do. A German girl is just as happy with 9 marks a week as our girls with $9; a German girl does not know any better, while our girls breathe a republican air and indulge in all the comforts the world can afford to them.

Collars, cuffs, and shirts made in Saxony cost a great deal less than in Berlin, and only cheap goods are made in Saxony, which is not imported because American people are used to better made goods, and as long as an American workingman has 12 cents in his pockets and wants a collar he will buy it. Mr. Rosenthal, who brought in the petition for reduction of tariff on collars and cuffs, does not care one cent what the American working girls earn, only as long as he can import the goods cheap. I have cut collars, etc., worked on the sewing machines, worked in the laundry, run an engine and boiler, and have performed all kinds of work appertaining in the manufacture of collars, cuffs, and shirts, and therefore am thoroughly acquainted with the same.

Should the tariff be taken off on collars and cuffs I will start a factory in Germany and laundry them here, as I can manufacture them much cheaper than they can be made in this country, being a staple article.

RECAPITULATION.

	Germany.	Earl & Wilson.	Tim & Co.
	Pfennigs.	*Cents.*	*Cents.*
Hand buttonhole finished ..... dozen..	164	68½	58½
Laundry ..... do....	50	17	12½
	214	85½	71
Machine button-hole ..... do....	138	57½	49½
Laundered ..... do....	50	17	12½
	188	74½	62

No box or other manufacturing expenses added. Earl & Wilson use a better line than I have calculated, but this is only a comparison to Tim & Co. and others which do a jobbing business, and we have to put a garment manufacturer in the same line as a jobber reaping the profit as Earl & Wilson.

Very respectfully yours,

MAX HERMANN.

LACES.

(Paragraph 378.)

BROOKLYN, N. Y., *September, 1893.*

SIR: We trust that your committee will decide that at this time it is inexpedient to reduce the present tariff rate on lace goods, and that they will also provide means or measures to prevent the present gross undervaluations in the invoice price and the understatements in the quantity of yards or dozen of yards actually contained in imported cases of lace goods.

To maintain this industry so far against great odds has been hard work. By diligence and economy, favored with the patronage of dealers in all parts of the United States, we have been enabled to maintain our industry, and have at times given employment to near a thousand

persons, which has proved a benefit to them and to our city not only, but also many other industries have been aided by our business.

Although the amount of goods we manufacture is not large compared to the quantity of laces used, yet the effect, as is well known, has been to compel importers and manufacturers in Europe to reduce their prices to buyers in this country, and by this competition consumers have been benefited many times more than the whole amount of our production. Our lace industry has been reported in Europe by buyers of laces for the United States and given as a reason for lower prices. This is one reason among many why it is not for the interest of our country to let this industry fail. At present time and for months more than half of our machines and employés have been and are now idle, mainly because of the large stock of imported laces on the market offered at such low prices that it is evident the legal rate of duties has not been paid on them. It is admitted that it is a difficult matter to ascertain the cost and value of lace and lace goods generally, either silk or cotton. Manufacturers and exporters in Europe take advantage of this fact and name very low prices in their invoices, and leave it to the appraiser to disprove them, and in the press of invoices and other matters devolving upon him at the New York custom-house, it is simply impossible for him to properly examine and consider them. Also, the manner in which laces are put up makes it very easy to deceive in the quantity of yards contained in the cases, which may contain from two to five times that named in the invoice of importation.

If there were a thorough and proper examination of a number of cases of each invoice by the appraiser, aided by competent assistants, most of the fraudulent invoices would soon be stopped. It would be necessary to measure and weigh sample lots, etc.

In Europe, as one large manufacturer writes, "the value there of silk lace is based on two-thirds of the wages and one-third only of the raw material, silk." This is the rule, as we understand, for the common run of silk laces in Europe. In the United States the proportion for labor averages higher.

While Hon. William R. Morrison was chairman of the Committee on Ways and Means in 1886 he requested the Secretary of the Treasury, the Hon. Charles S. Fairchild, to have prepared a schedule of specific duties for silk goods, embroideries, and laces, with view of preventing undervaluations in those classes of goods. The several schedules were duly prepared, but the idea of specific duties was finally abandoned because no proper bases for valuation could be found, particularly so for laces.

The Secretary submitted the schedules to the appraisers of New York, Boston, and Philadelphia for their opinion. Our schedule for laces was submitted to Mr. William Kent, assistant appraiser of New York, for examination, which he condemned, and to prove his opinion he gave a record of a number of invoices of laces (accompanied with samples) that were actually being passed through the New York custom-house. Among his samples were the following:

Sample 122, White illusion net: 55 yards, 72 inches wide, weight 26 ounces, cost 16 cents United States currency per yard, $8.80.

This is only $4.87 per pound for the finished lace, including all cost of manufacture. These goods require the best raw silk, which at the time was worth in the gum $6 per pound; boiled off as it was in the lace, $8 per pound.

Sample 365, Spanish lace: 36 yards, 4½ in. wide, weight 6½ ounces, cost 5½ cents United States currency per yard, $1.98.

This is only $5.44 per pound for Spanish silk lace clipped, scalloped, and finished for the consumer. The silk in a boiled-off condition, in which the lace was made, must have cost $7.50 per pound, and the finished lace $18 per pound.

Sample No. 1967, Spanish guipure net: 23.30 meters, 27 inches wide, weight 5 pounds 2 ounces, cost United States currency $17.

This is only $5.44 per pound for silk guipure lace. The boiled-off silk at that time, of which the lace was made (for the lace was not made of silk in the gum), must have cost near $8 per pound, and the finished lace $20 per pound.

It is understood that raw silk in natural gum condition always loses about one-fourth of its weight in boiling off.

These samples given by Appraiser Kent show that silk laces were entered and passed the New York custom-house at an average rate per pound less than the raw silk cost per pound, and probably at only one-third of the manufacturer's cost in Europe; undervaluation is here as evident as the day, and the evidence is furnished (unwittingly) by the appraiser, Mr. Kent, himself. His point was to prove that it was unadvisable to have specific duties.

Mr. Kent gave also the record of other samples, two of which we cite:

Sample No. 1569, Chantilly lace, 14¼ yards, 37 inches wide, weight 13¼ ounces, cost $3.53 United States currency per yard, $36.68.

This is $43.37 per pound.

Sample 10183, Chantilly lace: 6¼ meters, 37 inches wide, weight 8¼ ounces, cost United States currency $14.05.

This is $35.76 per pound.

Notice the high prices per pound of these last two samples, but it is no higher than many silk and fine cotton laces cost. The last two samples may have been the importation of someone not a dealer.

Mr. Kent's full report will be found printed in the Secretary of the Treasury's letter to Hon. William R. Morrison of June 14, 1886.

The fact remains that invoices of silk laces are passed through the custom-house in which the goods are valued at less than the cost of the silk yarns of which they are made.

It is these undervaluations in price, and false statements in quantity, in the invoices of importations that are jeopardizing the lace industry in the United States. Because of this, for months not half of our machines have been running or our operators at work. If adequate measures are not adopted and rigidly enforced to prevent and stop undervaluations of all kinds, the efforts to manufacture lace goods in this country will utterly fail, unless the price of labor here is brought down to the starvation prices of Continental Europe.

The Hon. Mr. Fairchild, in his letter (June 14, 1886) to Hon. Mr. Morrison, states—

That of all the silks imported into the country in the past year, 98 per cent were entered at New York, and that fully 90 per cent of these importations represented consignments on foreign account and were as a rule undervalued.

The appraiser, in his effort to maintain the legal rate of duty named for "laces," is opposed by some importers or agents of manufacturers in Europe, who claim, and have claimed successfully, that certain lace goods are not, and should not be called, laces, because they are known by some other name in the trade, and therefore they ought to be entered at a lower rate of duty as goods not otherwise provided for. This is a source of many disputes, and vexatious lawsuits that are very costly

to the Government. Laces are known commercially, in trade, and in use by very many names; not one name, nor a dozen names, will describe or cover the article of lace or lace goods. The word "laces" as named in the present tariff covers all laces or lace goods, for it is the family name.

Fabrics or goods made on lace machines are distinctly different from fabrics made on the loom. In the lace machine all the threads in the fabrics run lengthways with the goods as made; some threads following the pattern will vary or turn as required.

But in loom work, as you well know, there are the warp threads and the weft or filling threads that are thrown directly across the fabric. In lace fabrics no such threads are thrown across; the construction of the lace machines do not permit it; therefore it is easy to distinguish lace from loom fabrics.

No particular name, therefore, should govern the rate of duty. We suggest that it is for the interest of the Government and the trade that one single ad valorem duty be placed on all laces or goods made on lace machines, be they wide or narrow, regardless of commercial names or any other designation.

There is no other fabric that can be so easily undervalued in the invoice of importation without detection as lace, and there is probably no other article that is allowed to pass so freely without paying duty through the custom-house in the trunks of the tourists from Europe as lace.

As laces are a distinct and definite class of textile fabrics, and as the family name of laces includes a variety of styles, qualities, and prices under many names, there ought to be but one rate of duty, and that ad valorem on all classes of lace, irrespective of any class or style or commercial name or trade designation, and this ought to be plainly so stated in any tariff bill enacted. A single uniform ad valorem rate would then rest equally, or in the same ratio, on all grades of lace goods.

It is for the credit and interest of the Government that frauds on her revenue should be prevented and those who commit them be in some way punished. This would also encourage the honest importer in his effort to do business.

There is one way to stop fraudulent practices (which was effective before the law was repealed), and that is where the intent to cheat the Government is evident the merchandise be forfeited to the Government for its benefit and benefit of the appraiser and his department.

We send with this communication samples of silk and cotton laces for your inspection, as they may afford you a better idea of the goods in question.

In addition to the reasons given why the duty on silk and cotton laces should remain as they now are and not be reduced, we would state—

That the machinery now in use here has been imported from England, and paid a duty of 45 per cent, besides heavy freight and other charges. Some of these lace machines have cost from $5,000 to $6,000, and weigh over 15,000 pounds. They are intricate and difficult to operate and require constant repairs; skilled designers, draftsmen, and operators have to be brought over from England and France. Now young Americans are learning the art of lace-making in all its branches, and this new branch of industry is giving employment to many hundreds who are anxious to obtain work for themselves and their families.

There is no other class of textile fabrics so difficult to make, or that takes the operator so long a time to learn and become skilled in the

art, as lace. Labor, skill, and design make up the value of lace more than the cost of material.

The wages paid to lace operators in this country are from 100 to 200 per cent higher than that paid for the same class of work in England, France, and Germany, and, beside, their machinery is occupied night and day with two sets of hands, while here it is fifty-five hours only for the week.

The business at best is hazardous, as is proved by the history of lace manufacturers in Europe, and the article in respect to value is perishable, especially as regards silk laces; the style, make, pattern, and color are subject to the caprice of fashion.

Most all the incidental supplies used in manufacturing lace are protected by a duty of 20 to 45 per cent.

Lace is a luxury in the highest sense, and the duty collected on it is not a burden on the poor. On the contrary, hundreds of poor families have been benefited and maintained here many years by the lace industry.

The industry of making cotton lace goods of every description in England and on the continent of Europe, is a large and important one. Millions of capital are invested in it. Large communities are profitably employed and supported by this industry, which has proved to be a source of great wealth wherever it exists, but of all the textile fabrics it is the most difficult to establish in a new country.

The quantity of cotton laces manufactured in England exceeds (it is estimated) that of silk, more than twenty times, and the proportion of laces and embroideries made on the continent is nearly as large.

Mr. John Heathcoat (one of the inventors of the lace machine) gave to Nottingham a trade which in fifty years has mainly assisted to quadruple its population, giving employment to 150,000 work people, and for the past thirty years adding £4,000,000 sterling annually to the trade of the country. (From a eulogy of Mr. John Heathcoat, after his death in 1861. Encyclopedia Brittanica.)

Some of the most artistic and highest cost laces are made of cotton, either by hand or machinery. The industry of making cotton lace is known to be more sure and stable than that of making silk.

Laces made of cotton or linen thread can be cleaned or washed many times without perceptible injury, while laces made from silk yarns would be ruined. This is a great advantage in favor of cotton and linen thread lace, and the principal reason why it is preferred before silk.

The quantity of cotton laces used in the United States, it is estimated, is more than twenty times that of silk. There are tens of millions of yards of cotton lace imported every season and hundreds of thousands of lace curtains.

Of the large quantity used in this country very little comparatively is produced here. Why are they not and why have they not been made here? Simply because manufacturers who have given this industry a thorough trial have not been able to compete in style and assortment with the endless variety, and in price with the extensive stocks, offered at low prices in this market by agents of the large producers in Europe, who, by a system of undervaluation without penalties, do not pay the full duty of the present low ad valorem rate.

The great cost of producing a new pattern of lace by machine is in the making of the first piece. After that the more pieces made the cheaper it can be sold.

In England and on the Continent those engaged in making laces have large plants and great facilities for producing many new patterns;

also a large market and assured demand for many pieces of every new pattern produced. Their machinery is made on the spot. They do not pay 45 per cent duty on that, besides heavy freight charges, and for wood packing cases, which for some lace machines often cost over $75.

The labor of making and finishing the lace is from two to four times greater in this country than in Europe.

The cotton yarn used in making cotton lace is especially made for that purpose. It is harder twist than that which is used for common loom work, and often part is reverse twist or twisted to the left as well as to the right, and as it is required to be even and smooth it is generally gassed. In England, there being a steady demand for these yarns, they are supplied to the lace-makers at low rates and in large quantities. This class of yarns are not made in this country at all, but would be if there was a demand for them. On these yarns we pay 40 per cent duty besides the heavy charges or expense of importing them. In England and on the Continent they have in every branch of the lace trade educated and experienced hands as well as other advantages. For the present most of our operators have to be instructed in the art.

If the duty is retained and the business is once fairly established in the United States of making silk and cotton laces for all personal adornment and for use in beautifying and furnishing our habitations, this great industry would before many years greatly enrich our country, giving employment to more than half a million of people, besides adding many other industries in building the costly machines, making yarns, furnishing supplies, dyeing goods, etc.

It is known that the people of the United States are the largest buyers of lace in the world.

Respectfully submitted.

JENNINGS LACE WORKS,
A. G. JENNINGS,
President.

LACE CURTAINS.

(Paragraph 378.)

SIR: The undersigned, the founder of and a representative of the lace-curtain industry of the United States, respectfully submits for your consideration the following statement of facts:

The lace curtains made in this country are jacquard-machine made and come in competition with the jacquard machine-made curtains of Nottingham, England, and Ayrshire, Scotland, and the tamboured curtains of Saxony and Switzerland, in the manufacture of which no jacquards are applied.

The tariff on all imported curtains, irrespective of grade or quality, is 60 per cent ad valorem. In manufacturing the jacquard-machine curtains 45 per cent of the cost is consumed in material, 50 per cent in labor, and 5 per cent in expense. The higher grades of lace curtains, in which we are particularly interested, are manufactured entirely of yarn made from Egyptian and sea island cotton. The tariff on said yarn averages 50 per cent.

Men in Nottingham and Ayrshire, on the jacquard-machine made curtains, are paid from 24 to 30 shillings per week. For the same labor we pay from $12 to $21 per week. There women are paid from 8 to 18 shillings per week; here we pay from $2.50 to $6 per week. In other

words, we pay twice as much for labor here as is paid there. In Saxony and Switzerland men receive from $1.50 to $6 per week, and women from $1.50 to $4 per week for making the tamboured lace curtains, commonly known as Brussels point, Irish point, and Swiss.

The tariff on our machinery, which we were compelled to import, was 45 per cent. The higher cost of land, buildings, insurance, and depreciation here, in our opinion, makes the investment at least 50 per cent greater than in Europe.

Against the disadvantages arising from the cost of raw materials, labor, and expense, we have the advantage of the tariff on the imported lace curtains, the cost of transportation, also of being in the home market. By reason of said advantages, we are able to hold our own, except against the cheaper grades of tamboured lace curtains.

If the tariff on lace curtains should be reduced, we shall be compelled to close our factory, unless there shall be a more than corresponding reduction in the cost of yarn, which is our raw material.

Inasmuch as the raw cotton is imported into this country free of any duty or tax whatever, I submit that a 25 per cent duty ad valorem on yarn is a greater protection to the yarn manufacturer than a duty of 50 per cent on lace curtains is to the lace-curtain manufacturer.

The great item of expense in making the tamboured lace curtains is labor. On account of the vast difference in cost of labor in Saxony and Switzerland, as compared with this country, we submit that under no circumstances should the tariff on tamboured lace curtains be reduced. As it is, we are now unable to compete with the lower grades of said curtains.

Respectfully submitted.

J. C. ATKIN,
Manager of the Wyoming Valley Lace Mills, Wilkes Barre, Pa.

SEPTEMBER 19, 1893.

LACE CURTAINS.

(Paragraph 373.)

CREIGHTON & BURCH,
New York, September 13, 1893.

SIRS: We beg to place before you a few facts in regard to the establishment of, and increase in, in the lace-curtain industry in this country, under the present tariff.

In the year 1891 there was practically but one manufactory using from 350,000 to 400,000 pounds of yarn. There are now seven factories using between 3,000,000 and 4,000,000 pounds. The value of the raw cotton, which we formerly exported to manufacture these goods, taking the lowest estimate, is, say, 3,000,000 pounds, at 8 cents, $240,000. This cotton, when manufactured here into curtains, is worth about $1 per pound, say $3,000,000. Thus, by the establishment of the industry here, the difference between these amounts, which is a very considerable sum, goes largely to our work people, and the gold, which would have to be exported to pay for the goods if manufactured abroad, is kept in this country.

With a continuance of the present duties we believe that the manufacturer of lace curtains will be still further largely increased, and that

finer goods, requiring skilled labor, will be produced, thereby, adding materially to the benefits above noted.

Since the establishment of this manufacture in America it can be readily shown that the consumer has derived the benefit of a reduction of 20 per cent in the price of curtains.

We would further state that there is now invested in this country, in the industry, over $2,500,000, a large portion of which is in imported machinery on which a duty of 45 per cent has been paid, and that any disturbance to the industry would render the machinery almost worthless.

As the wages paid in this country for this class of labor rule much higher than are paid in England, and as a new industry of this kind requires at least five years for its firm establishment, we respectfully submit that any reduction on the tariff at the present time would seriously cripple the American manufacturer.

The SCRANTON LACE CURTAIN MANUFACTURING CO.,
Agents CREIGHTON & BURCH.
The AMERICAN LACE MANUFACTURING CO.,
MACK FINLEY, *President.*
JOHN BROMLEY & SONS, *Philadelphia.*
ROWLAND & SCHMIDT, *Philadelphia.*
HOMER BROS.' CARPET CO.,
SAML. HOMER, JR., *President, Philadelphia.*

TEXTILE WORKERS OF PHILADELPHIA.

Statement of Mr. John S. Stewart, of Philadelphia, Pa., chairman of the delegation of textile workers of that city, who presented a petition containing over 10,000 names, and read the following paper:

ADDRESS OF TEXTILE WAGE-WORKERS BEFORE THE COMMITTEE ON WAYS AND MEANS.

Mr. CHAIRMAN. The delegates comprising this body, to which you have so kindly granted a hearing, have been selected by their fellow-workmen from among at least 50,000 wage-earners employed in the production of textiles in upwards of 200 mills in and about the greatest of American manufacturing centers—the city of Philadelphia.

The petitions we have been delegated to present to you are signed by the thousands who work beside us in the various departments of the great hives of industry and thrift, the cotton, woolen, silk, chenille, upholstery, lace, and carpet mills, from whence we have heretofore drawn wages for the support of ourselves and our families.

These petitions have not been prepared, nor are they presented, in any partisan spirit, notwithstanding any assertion which may have been made to that effect, nor has any one been coerced into signing them.

Our presence is demanded here simply by the necessity of furnishing food and raiment for ourselves and our wives and families dependent upon us.

We are not the bosses nor the mill-owners, nor are we in any sense either directly or indirectly their representatives, but on the other hand we produce the goods by the labor of our hands.

We are not self-appointed "walking delegates," nor are we demagogues striving to lead workingmen "into paths they know not."

We are here because our means of living is either menaced or has been taken from us and because the loom is silent and the shuttle motionless that our eyes have been accustomed to watch and our hands to control.

We come direct from our humble homes where our wives and babies are praying for the success of this appeal to you, who, by the will of a majority of your constituents, have not only been selected to legislate for this great American people, but have also been again singled out from among your colleagues in Congress to serve as members of this most important Committee on Ways and Means.

The eyes of the whole country are upon you and great indeed is your responsibility.

Let me bring to your minds a picture of thousands of to-day firesides in our great city where sits the head of the family in enforced idleness, with the winter approaching and with the wolves of cold and hunger on the threshold. No possibility of work, and the majority of his friends and neighbors in the same sad plight. He is honest, industrious, law-abiding, ablebodied, and intelligent, but he is powerless in himself. As an American citizen, a wage-earner, a producer, demanding only that which is right, he has delegated to us, his fellow-workmen, the duty of placing his case in your hands, relying upon your sense of justice, your wisdom, your manhood, your patriotism to protect him in his means of gaining a livelihood.

Therefore, in his behalf and in the spirit expressed in this petition, which we are here to present, we implore you that you will speedily give to the country an assurance that the tariff, so far at least as it relates to textile goods, shall not be disturbed.

Rise, we beseech you, above the spirit of partisanship or sectionalism, and consider our plea on behalf of American workmen, irrespective of what this party or that party may have inserted in their "catch-vote" platforms.

We come straight from the masses, and we speak in no uncertain tone with the voice of the common people, and we pray of you to embrace this opportunity of proving yourselves by your action in this matter, which is so vital to the interests of your fellow-countrymen, that you can be and that you will be above all else American patriots. By so doing you will not only prove yourselves among the greatest of politicians, but you will win as well the blessings of your fellow-men.

That you may understand and appreciate to some extent the depression in textile pursuits the following comparative statistics have been collated from the mills in Philadelphia and vicinity.

For four weeks in the month of August, 1892, in 17 mills the total number of persons employed was 10,109. The average hours worked per week by each individual was 60. The aggregate number of hours worked per month by all employed was 240.

For four weeks in the month of August, 1893, in the same mills the total number of persons employed was 7,475. The average hours worked per week by each individual was 17¼. The aggregate number of hours worked per month by all employed was 69, showing a decrease of 71 per cent in time, 26 per cent in number of hands.

These figures have not been selected, but are taken from all mills without exception or omission, and they speak louder than any words that can be framed by human tongue and are by far the strongest argument we can use to persuade you to give heed to our appeals, as

stated in our petitions, with which our fellow workingmen have overwhelmed us and which, on behalf of the 10,228 signers, I now have the honor, as chairman of this delegation, of presenting to you.

Mr. STEWART (after reading the paper). The industry in which I am interested is upholstery and chenille. Under the McKinley tariff bill the business increased in proportion; and not only that, but the price has not increased to the consumer, but has decreased considerably, because it has stimulated home competition, making it so keen in that industry as to bring the price down. We know from experience as workingmen that this tariff as now levied and collected has been an assistance in wages. I am here to talk about nothing but wages.

Mr. MCMILLIN. The present law was passed in 1890?

Mr. STEWART. Yes, sir.

Mr. MCMILLIN. What increase of wages was given in your chenille mills in consequence of that?

Mr. STEWART. I look upon the tariff as a protection against importation.

Mr. MCMILLIN. What increase of wages was given to the laborers in the chenille mills in consequence of the passage of the McKinley bill?

Mr. STEWART. There was a large increase, because it gives us steadier work.

Mr. MCMILLIN. What per diem increase, if any, did it give you?

Mr. STEWART. I did not say there was any. The price of the article did not increase, but came down.

Mr. MCMILLIN. I find by turning to the law that the rate on chenille under the act of 1883 was 40 per cent.

Mr. STEWART. Yes, sir.

Mr. MCMILLIN. So that there was an increase to 60 per cent in the McKinley bill?

Mr. STEWART. Yes, sir.

Mr. MCMILLIN. There was an increase of one-half of the original duty; that is, one-half of the amount of the duty was added to it, making it 60. Were your wages increased?

Mr. STEWART. The price of the article was not increased, because it was already so great.

Mr. MCMILLIN. Your wages were not increased in consequence of that?

Mr. STEWART. But there is steadier work, which we claim is an increase.

Mr. MCMILLIN There was no increase in your wages?

Mr. STEWART. Well, at the end of the week we found we had six day's work.

Mr. MCMILLIN. How many hours are you working?

MR. STEWART. We are working forty-six hours. The firm in which I am employed has two branches, upholstery and chenille. The chenille branch this week is entirely unemployed.

Mr. PAYNE. How was it a year ago?

Mr. STEWART. We were busy.

Mr. PAYNE. You were then working six days a week?

Mr. STEWART: Yes; and continued to do so up to this recent depression.

Mr. PAYNE. Before the passage of the McKinley bill, I suppose you were glad to get four days a week?

Mr. STEWART. The McKinely bill increased the industry so much that after that the production was so great that it gave employment *to many* more men.

Mr. GEAR. The result was that goods were not imported?

Mr. STEWART. Yes, sir. We worked more and got more benefit than we had before.

Mr. DALZELL Without giving the names of the gentlemen, give us the industries represented by your delegation.

Mr. STEWART. Lace curtains, Brussels carpet, upholstery, worsted-spinning, wollens, worsted cloth, ingrain carpets, chenille curtains, silk ribbon, hosiery, blankets, and cotton goods. The district from which we come to-day is in an awful condition. We are well aware of the fact, and many of us are in terrible straits. We believe honestly as workingmen that were it not for the threatening attitude of the tariff at this time that our business would be going on. There is no other menace holding over us, except the fear of the passage of a new tariff bill, because importers and commission men will not send in orders, but are waiting for the tariff to be brought down, and then they hope to get the goods in lower. We are here asking that the tariff be not disturbed, for on the other side they are getting ready to supply our market.

Mr. TURNER. At whose suggestion does this delegation come here?

Mr. STEWART. The workingmen of Philadelphia.

Mr. TURNER. It arose out of your fear of an improper disturbance of the tariff?

Mr. STEWART. Out of the fear of present tariff changes. The industries we represent were never in such a condition as they are to-day. One year ago there was scarcely an idle loom in our district. A man could get work in a few hours, whereas to-day he might walk for hours looking for work and he would be laughed at.

Mr. TURNER. Do the manufacturers have anything to do with the visit of you and your colleagues to-day?

Mr. STEWART. No, sir; we are here as representative workingmen.

Mr. TURNER. What do you think about putting wool or the raw material of your grade of industry on the free list?

Mr. STEWART. We are not here to ask anything else at all. We appear before your Committee of Ways and Means and ask you as American citizens and workingmen not to touch the tariff on textile goods.

Mr. TURNER. You should consider that perhaps some may think that to give your manufacturing friends free raw material might improve the conditions of labor.

Mr. STEWART. I believe honestly that if you destroy the home competition or home production of wool, then we will have a foreign monopoly of wool, and as soon as foreign wool drives the American producer out of the market, up goes the price of wool. Competition has kept the price down.

Mr. TURNER. Is there no competition in foreign wool?

Mr. STEWART. England largely controls the wool market of the world. It is her colonies from whence it comes, principally from Australia.

Mr. TURNER. Do you not think that the low price of foreign wool would stimulate American production?

Mr. STEWART. When you destroy the industry by experiment, you can not see what to do after it is destroyed.

Mr. TURNER. You would maintain the duty on wool?

Mr. STEWART. We are not here to argue that point. You asked me what I thought, and I have answered you. Home competition has gone

a great way in keeping up the price of articles such as came under the McKinley bill.

Mr. TURNER. The tariff on wool is higher than ever it was?

Mr. STEWART. I have not studied up that question, but I will say, because you ask me, that the American wool-producer is the American farmer. From a fair and honest standpoint, I think that the American farmer gets as much as the American manufacturer gets on cloth. I believe that if you take the duty off wool, the wool-grower will demand that the duty be taken off cloth, and I feel that we could not afford to come here and advocate that we be destroyed at his expense. They would retaliate.

Mr. TURNER. Do you not think, furthermore, that if that were done, possibly it would stimulate woolen manufacture in this country so as to greatly enlarge the demand for labor in the mills?

Mr. STEWART. I can not see, sir, why the woolen manufacturers, under the conditions as they now exist in other industries, ought not to be and have been as prosperous as any. That is the history of our country. There has been more wages paid, more investments made by working people in our building associations in Philadelphia than ever before in the history of the city.

Mr. TURNER. However, you have no particular knowledge as to wool?

Mr. STEWART. I could not answer as to that, because I do not keep the run of it. I only want to answer from facts within my own experience.

Mr. TURNER. Under a high protective tariff, American wool is the lowest in the world.

Mr. STEWART. We believe further that any reduction in the tariff will be followed by a reduction in wages, and a reduction of all kinds of duties.

Mr. TURNER. I have no doubt that in your organizations you have discussed this matter frequently with intelligence, as you seem to discuss it to-day, and I would like to ask you if wool is put upon the free list without injuring the farmer, and thereby reducing the price of woolen goods, would it not be better for poor people in the way of clothing and home comforts as well as an increased demand for workmen in the woolen mills? Would it not stimulate the production of woolen goods to take the duty off wool?

Mr. STEWART. I have this to say of the difference in the amount of duty in price of the wool in a suit of clothes. The amount of duty on a suit of clothes which an individual would wear would not amount to much. There is only a few pounds of wool in a suit, even if it is poor wool. This is the difference the poor man pays for his warm clothing.

Mr. PAYNE. Very cheap wool has not stimulated your industry much within the last month?

Mr. STEWART. It does not so appear.

Mr. MCMILLIN. Nor has the McKinley bill.

Mr. STEWART. I can say, gentlemen, that I think it is the fear of the repeal of the McKinley bill that has largely brought about this panic which know prevails, because in many industries, as you gentlemen know, the financial situation has not improved. We do not see the improvement in the conditions of the textile workers.

Mr. TURNER. Have you noticed that there are adulterants in woolen goods in recent years?

Mr. STEWART. No, sir. I believe there are as much adulterants used on the other side as here.

Mr. TURNER. They use adulterants on both sides?

Mr. STEWART. Yes; because they adulterate almost everything where they can use it with deception; and they would use adulteration in almost anything, unless it was such as cotton goods, both here and abroad.

Mr. BRECKINRIDGE. Do you believe that the wool-sellers are in competition so as to extort a higher price for wool?

Mr. STEWART. I do not know. I simply know that if there is a reduction——

Mr. BRECKINRIDGE. You have a reason.

Mr. STEWART. I do not believe there is an American combination. I believe the manufacturers out in Ohio and Indiana are small producers of wool and they have to ship at once.

Mr. BRECKINRIDGE. Do you believe that the producers could enter into a combination in order to extort high prices?

Mr. STEWART. I do not think they could, because I do not think the American farmers have got money enough to store wool away.

Mr. BRECKINRIDGE. If they could not do it in this country, why can they do it in the other countries?

Mr. STEWART. We do not get it here; but it comes through large importing houses in London and Liverpool. The farmers ship directly to the factories.

Mr. BRECKINRIDGE. Then your position is that it is impossible to combine in a single country, but that it is possible to combine in all countries?

Mr. STEWART. I believe we are differently situated here. There is a vast difference in sending a man out in Indiana and Ohio to buy wool and sending a man from England who goes directly to Australia or Asia, or places where they grow so much wool.

Mr. BRECKINRIDGE. You do not believe they can buy from the farmers in this country?

Mr. STEWART. I do not believe they could do it with our small crop of wool.

Mr. GEAR. Are operatives in Philadelphia paid fairly good wages since the passage of the McKinley bill?

Mr. STEWART. It has been one of the best laws for the textile workers that has ever been placed upon the statute books. We get steady work and fair wages.

Mr. GEAR. A large change or reduction in the tariff would affect your wages?

Mr. STEWART. It would, unquestionably.

Mr. GEAR. How?

Mr. STEWART. It would bring down the price of wages.

Mr. GEAR. Would it close some of the factories?

Mr. STEWART. Yes; or compel us to work on a level with the wages across the water.

Mr. GEAR. You do not want to do that?

Mr. STEWART. We think that in producing these articles we should be protected.

Mr. GEAR. You think that if the opportunity is given, competition will bring the price down?

Mr. STEWART. That is my experience in these goods. It has brought it down and kept it down.

Mr. GEAR. Did not the passage of the McKinley law stop the importation of certain kinds of goods from other countries?

Mr. STEWART. It has stopped the importation and increased produc-

tion here. A change in the present law would make a great disturbance.

Mr. GEAR. If a change is made in the law would other industries start up?

Mr. STEWART. There would be no industry started, and wages would go down. I do not say that factories would shut up. I believe there would be a material reduction in wages. We are American citizens, and we expect to live here and want to prosper.

Mr. GEAR. Are you an American by birth?

Mr. STEWART. No, sir. I have been in this country going on eighteen years.

Mr. GEAR. Where were you born?

Mr. STEWART. Near Belfast.

Mr. GEAR. You were a workingman in that country?

Mr. STEWART. I never worked there much, because I was rather young when I came out.

Mr. GEAR. You have any number of men in Philadelphia who did come from that country and worked there?

Mr. STEWART. Yes, sir.

Mr. GEAR. What did they come here for?

Mr. STEWART. To make a better living.

Mr. GEAR (ironically). I suppose a good many went back?

Mr. STEWART. No, sir.

Mr. BURROWS. How many workingmen are in your delegation?

Mr. STEWART. There are about fifteen here. Several desire to speak, if the committee desires to hear them.

Mr. BYNUM. You stated that the price of goods has been reduced under the McKinley bill. How are the manufacturers going to pay an increase and give you steadier work, if that is the case?

Mr. STEWART. I did not say that wages were increased. I said it increased our wages, because we had steadier work.

Mr. BYNUM. How have wages been kept up? When you had not competition the price was higher.

Mr. STEWART. I did not say that.

Mr. BYNUM. You say the price is higher, and that the effect of the McKinley bill was to reduce the price to the consumer?

Mr. STEWART. Yes, sir.

Mr. BYNUM. How is the manufacturer going to make steadier prices and steadier work if that is the case?

Mr. STEWART. I think there is scarcely an article——

Mr. BYNUM. Please answer my question.

Mr. STEWART. You must allow me to answer in my own way. There is scarcely an article the price of which, after it has been put on the market, has not gone down.

Mr. BYNUM. Would not the manufacturer have reduced the wages of the workingmen?

Mr. STEWART. No, sir. When an article gets to a certain price and it is no longer profitable it is not made.

Mr. BYNUM. You stated that the effect of the McKinley bill has been to reduce prices to the consumer, and at the same time you say that an increased demand has enabled the manufacturers to give you steadier employment and therefore more wages. Where has the manufacturer found a better market at a lower price?

Mr. STEWART. It is a larger market.

Mr. BYNUM. Do higher prices make a larger market?

Mr. STEWART. The market is the consumer.

Mr. BYNUM. As long as the price is up does not that make a market?

Mr. STEWART. It is the demand of the consumer that makes a market. If there is no consumer there is no market.

Mr. BYNUM. How can the workingman be benefited?

Mr. STEWART. The McKinley tariff act has kept out foreign competition and created home competition which has brought the price down.

Mr. BYNUM. Is not this the case—that as long as a man has a high price he will supply the market?

Mr. STEWART. Unless somebody else wants to do it at a less price.

Mr. BYNUM. I understand that you have been claiming that prices have been higher since the McKinley bill was passed?

Mr. STEWART. Take a large class of goods, say cloth worth $1.25 or $2 a yard, and you put in improved machinery and put that goods in the market at $1.65 or $1.50, won't you have to come down with the market?

Mr. BYNUM. You started by saying that goods were selling for more money since the passage of the McKinley bill. Now your thoughts are right the reverse.

Mr. STEWART. I say that home competition brought the price down.

Mr. BYNUM. Then home competition has brought down the price of the product lower than ever?

Mr. STEWART. Yes, sir.

Mr. BYNUM. And the condition of the workingman is better than before?

Mr. STEWART. Yes, sir; unquestionably. We are getting steady work, undoubtedly.

Mr. BYNUM. You say that if the tariff is taken off wool it would destroy that industry in this country?

Mr. STEWART. That is a question I am not here to discuss.

Mr. BYNUM. I want to see if you know anything about it. Do you not know that this industry has been going down ever since the increase of the tariff on wool? Do you not know that the number of sheep in Pennsylvania, Ohio, and New York—even in Ohio—has been diminished under this high protective tariff?

Mr. STEWART. I know that if you want to get an increase in the number of sheep you have got to put more duty on.

Mr. BYNUM. You do not know that when we have put the duty on the price has diminished?

Mr. STEWART. No, sir.

Mr. BYNUM. Do you not know that wool has sold lower the year after the McKinley bill was passed than ever?

Mr. STEWART. I do not know those facts.

Mr. BYNUM. You do not know?

Mr. STEWART. No. Why is it if wool has gone down under the McKinley bill you do not repeal it?

Mr. BYNUM. In this country we have only produced 150,000,000 out of some 600,000,000 pounds of wool raised in the world. You manufacture carpets largely in Philadelphia, I believe?

Mr. STEWART. Yes, sir.

Mr. BYNUM. How about the wool going into carpets?

Mr. STEWART. There are other gentlemen here who will answer that.

Mr. BYNUM. Are carpet wools imported into this country?

Mr. STEWART. The lower-grade wools are imported.

Mr. BYNUM. Practically, do we produce any carpet wools in this country?

Mr. STEWART. If we had carpet wools it would not be necessary to import this cheap wool.

Mr. BYNUM. Do you not know that you do not import carpet wool?

Mr. STEWART. We won't buy inferior wool if we can get good wool for the same price.

Mr. BYNUM. Do you not use good wool for carpets?

Mr. STEWART. We use expensive wool.

Mr. BYNUM. You do not grow that wool in this country?

Mr. STEWART. There is wool in this country adapted to it.

Mr. BYNUM. Where is it grown?

Mr. STEWART. In Dakota. It is possible to produce it there.

Mr. BYNUM. At about 14 cents a pound?

Mr. STEWART. If the industry is protected it will be stimulated. It is possible to do anything.

Mr. BYNUM. You want to stimulate the farmer to grow sheep?

Mr. STEWART. I am not here to argue about the farmer at all.

Mr. BYNUM. Do you know anything about carpet wool bringing 14 cents?

Mr. STEWART. Good wool brings 18 to 20 cents.

Mr. BYNUM. Good wool is worth about 18 cents and carpet wool is worth about one-half.

Mr. STEWART. I am not positive about that, and I do not want to answer as to anything I do not know.

Mr. BYNUM. If wool be put upon the free list, and we thereby increase the price of the home product, would it not be better to have wool on the free list?

Mr. STEWART. If wool is cheaper under the McKinley bill we will have wool so cheap that there will be no call for importing it.

Mr. BYNUM. Do you not know that we have to import wool to mix with American wools?

Mr. STEWART. That is for the finer grade of goods. Those who wear that grade of goods should be made to pay for them—that is, those who buy them.

Mr. BYNUM. Did you ever examine the reports of wages paid in England and in the United States?

Mr. STEWART. Yes, sir.

Mr. BYNUM. Are those correct statements of the wages paid?

Mr. STEWART. There are gentlemen, practical men, who have worked in England, and I think these gentlemen ought to be called, in all fairness, and let them substantiate what they know, and not hackle one man with questions.

Mr. BYNUM. What kind of labor is there in woolen goods?

Mr. STEWART. I would like to substitute one of these other gentlemen who has had experience.

Mr. PAYNE. You do not make cloth?

Mr. STEWART. I am representing one particular industry, chenille goods and upholstery. I will call on Mr. Fitzgerald.

TEXTILE WORKERS.

STATEMENT OF MR. SMITH FITZGERALD.

Mr. CHAIRMAN. We are here, as our chairman has said before, to discuss these matters in the way that you are trying to draw them out. We are here as workingmen, not as manufacturers, and we should not be expected to know the different rates of duties and such like. We come here to appeal to you in behalf of our industry, and to ask if

the tariff remain as it is on textiles. I do not think it is fair to try to embarrass a man by asking him questions on different branches of business in Philadelphia. I happen to work in a wool department, and may be able to answer a little more satisfactorily some questions than Mr. Stewart; but still I do not profess to know all about it. We all know that wool has been coming down, regardless of the tariff.

Mr. BYNUM. Was it lower in 1890 than in 1889? Did it not fall?

Mr. PAYNE (interposing). Owing to overproduction in Australia?

Mr. FITZGERALD. Yes, sir.

Mr. BYNUM. Have you examined statistics as to the effect it had upon the American product?

Mr. FITZGERALD. I do not know that I have examined that.

Mr. BYNUM. Do you know that the duty was put on wool in 1867?

Mr. FITZGERALD. That was when I was a little boy.

Mr. BYNUM. Did not wool begin to go down after that?

Mr. FITZGERALD. I do not know that to be the reason. We want to get at the facts.

Mr. BYNUM. You want to get at the suppositions instead of the facts.

Mr. FITZGERALD. No; not exactly.

Mr. BYNUM. In 1891 the McKinley bill was passed, and wool has been lower than ever before.

Mr. FITZGERALD. It would have been lower still if you had not had any duty.

Mr. BYNUM. Is it not a fact that wool is selling in this market, and you can buy the same grades of wool, at about the same price in London?

Mr. FITZGERALD. Wool in this country has no correct value at the present time.

Mr. BYNUM. Is it not a fact that wool is selling in America at the same price it is in London?

Mr. FITZGERALD. No; it is about 14 cents.

Mr. BYNUM. It is about 14 cents? Some has brought 22.

Mr. PAYNE. The manufacturers are not buying now?

Mr. FITZGERALD. No, sir; nobody wants it now. It is very uncertain.

Mr. PAYNE. When do you get a market for the goods you are making now?

Mr. FITZGERALD. We are making them now for sale?

Mr. PAYNE. When would you get a market?

Mr. FITZGERALD. Next spring.

Mr. PAYNE. You are making for next spring and summer?

Mr. FITZGERALD. Yes, sir.

Mr. PAYNE. So, now, in manufacturing goods you have to take into consideration whether or not the reduction of tariff will be made?

Mr. FITZGERALD. We have to know what the difference, if any, is going to be.

Mr. PAYNE. And if you believe we are to have free wool by next spring you would have to buy at free wool prices in order to get on a level with the manufacturers who buy for next spring and summer business?

Mr. FITZGERALD. Yes, sir.

Mr. MCMILLIN. What percentage of the woolen mills in your section are idle now?

Mr. FITZGERALD. The woolen mills are about all stopped.

Mr. MCMILLIN. What percentage of labor heretofore employed in woolen mills are now out of employment?

Mr. FITZGERALD. I could not answer. I could go over it and mention a few that are completely stopped.

Mr. MCMILLIN. What percentage of laborers are out of employment or running on reduced time?

Mr. FITZGERALD. Some are running two or three days.

Mr. MCMILLIN. Has there been any reduction in wages?

Mr. FITZGERALD. Not in any woolen mill that I know of.

Mr. MCMILLIN. Has there been a reduction of time or stoppage?

Mr. FITZGERALD. Yes, sir.

Mr. PAYNE. How was it a year ago?

Mr. FITZGERALD. They were all running.

Mr. PAYNE. They were running on full time?

Mr. FITZGERALD. Yes, sir.

Mr. BURROWS. Are you American born?

Mr. FITZGERALD. No, sir; I am a Scotchman. I came to this country in 1873.

Mr. BURROWS. What is your business?

Mr. FITZGERALD. I am a wool sorter.

Mr. BURROWS. What business had you there?

Mr. FITZGERALD. The same business.

Mr. BURROWS. State the rate of wages there and here.

Mr. FITZGERALD. A wool sorter in Bradford, England, where I worked, earns about 30 shillings, or $7.50, a week.

Mr. BURROWS. That was your business?

Mr. FITZGERALD. Yes, sir.

Mr. BURROWS. Is that your business here?

Mr. FITZGERALD. Yes, sir.

Mr. BURROWS. Do you get that wages here for same kind of business?

Mr. FITZGERALD. In Philadelphia we get $15, and in some kinds we get $16.

Mr. BYNUM. Is that business wholly done by hand?

Mr. FITZGERALD. It is all done by hand.

Mr. BURROWS. You use the same "hands" in England that you use here? [Laughter.]

Mr. FITZGERALD. Yes, sir.

Mr. BYNUM. There is no machinery used in it?

Mr. FITZGERALD. No, sir.

Mr. BYNUM. Then the remark was not quite as smart as you thought it was. What is the average rate of duty on woolen goods?

Mr. FITZGERALD. I could not answer that.

Mr. BYNUM. Do you know what portion of the product of woolen goods is labor?

Mr. FITZGERALD. I would not care to say as to that.

Mr. BYNUM. Do you know that all statistics give it from 20 to 25 per cent, and the labor cost of production is from 20 to 25 per cent?

Mr. FITZGERALD. I have seen those figures.

Mr. BYNUM. Do you know that the average duty for woolens is about 90 per cent?

Mr. FITZGERALD. What does that mean?

Mr. BYNUM. Do you think it absolutely necessary to maintain a 90-per-cent duty in order to protect labor when labor is only about 25 per cent of it?

Mr. FITZGERALD. Yes; if it does not make the goods any dearer nobody is hurt.

Mr. BYNUM. You gentlemen go into the "if's" too much. I would

know if it is necessary to have a duty of 90 per cent when the labor cost is only 25 per cent.

Mr. FITZGERALD. That may be all right. We have not come here to discuss those questions.

Mr. BYNUM. That is the question we are interested in.

Mr. FITZGERALD. You can get at those facts; you have them all on file, and I suppose they are correct.

Mr. BYNUM. If there were only a difference of 50 per cent in wages, and you get twice as much wages here as there, then a sufficient tariff to cover that difference would be all that is necessary.

Mr. FITZGERALD. Other things are higher, besides our labor, which must be taken into consideration.

Mr. BYNUM. You have to pay duty on dyes; wools, of course, are higher, and rates of interest and things of that kind are higher. There is a duty on machinery; but supposing you were to get free dyes, would you need to maintain the present tariff to protect your labor?

Mr. FITZGERALD. It must be borne in mind that if you give free dyes it will affect other manufacturers.

Mr. BYNUM. If we made the consumer pay you might be able to make that up. If the manufacturers had free wool would it be necessary to maintain the present tariff to enable them to pay higher wages in this country?

Mr. FITZGERALD. The woolens, worsteds, and other compensatory quality of goods would make up that duty on wool.

Mr. BYNUM. They get about 35 or 40 cents a pound for duty, do they not?

Mr. FITZGERALD. I do not suppose that if duties are made lower wool will suffer by it. That is why we have come here to-day. We do not want to go into this question.

Mr. BYNUM. There are quite a large number of workingmen engaged in the woolen industries who are strong advocates of free wool?

Mr. FITZGERALD. I suppose so.

Mr. BYNUM. Is there not a large proportion of workingmen who believe that they could get steady employment and higher wages if they had free wool?

Mr. FITZGERALD. Some even believe that.

Mr. GEAR. That would reduce it to scoured wool. If you increase it the compensatory conditions are increased, because it takes 4 pounds to make 1 pound of scoured wool?

Mr. FITZGERALD. Yes; we have got to make our protest in a general way. I have a little paper here which I would like to read. We have other speakers, and I would like to have them address you before we go away; so, with your permission, I will retire as soon as possible.

Mr. Fitzgerald read the following paper:

One year ago times were good and the whole country was in a prosperous condition, but since then a change has gradually come about. The demand for our labor has almost ceased, confidence has been destroyed, and a severe financial panic has prevailed over the whole country. We do not pretend to understand all the causes which have brought about this state of things, but we can feel and see in our homes the terrible effects which these causes have produced, and we believe, gentlemen, that the fear and uncertainty in regard to tariff changes has been one of the principal causes. Therefore we think that it would be neither wise nor just to open up the tariff question at the present time. Knowing that we were prosperous under the present tariff law, when there was no fear of its being changed, we think that the assurance that it

will not be changed within a specified time, and that too not in the near future, would be the quickest and surest way of bringing prosperity back to the whole country. We appeal to you as wise and patriotic statesmen, having the best wishes of your whole country at heart, to consider well our petition and to adopt a course which will quickly bring about an improvement in the condition of the workers engaged in the textile industries.

TEXTILE WORKERS.

STATEMENT OF JAMES EDGAR.

I will state that in the city of Philadelphia, where I come from, things are in a bad state. We, as workingmen, were called together in a meeting to see if we could not get some way of meeting with you, and to try to state to you the condition in which we find ourselves. I would state to-day that 80 per cent of the workingmen or the wage-earners of the textile industries are out of employment. The mills are all closed down or else are working on half time and three quarters time. Some men are working only two to three days in the month. Very few are making full time. We come to day to state these facts to you, and I know whereof I speak. I know that numbers of men in the city of Philadelphia are going around to get contributions in support of the families of the workingmen. There are families in the city of Philadelphia to-day who do not know where their dinner is coming from to-morrow. Those representing the different branches of industry and of work have come here to state these facts. We do not demand anything. We only plead that you will look at the condition of things in Philadelphia, and I know that if you could go there and see the situation that you would recognize this as a fact. Some say that the cause of it is the silver bill; others say that it is the tariff. We workingmen believe that it is because of the agitation of the tariff which has brought us into the position in which we are now placed, because we stated in this petition that the manufacturers do not wish to run the risk of a reduced tariff. We are between two seas, as it were. The manufacturers will not run the risk, and we have got no work, and so we have concluded to come as American citizens and workingmen to ask you to do what we think will enable us to support our families. It is not necessary for me to speak of this because I feel that if I can go home to my family after only two or three days' work and see my children around me waiting for bread and I can give them no aid, I feel that in that case I am justified in coming here and asking you gentlemen to help us. You all know our situation. We claim and we speak for the workingmen of Philadelphia that the tariff affords a protection on manufactured articles in America and helps us as workingmen.

This textile industry is an infant one. It is one we can not tell much about, especially my branch of lace curtains. The majority of the curtain factories were started up, and those working in the lace-curtain branch have stopped. The firm for which I work have been employing about 250 people, have now only about 50 or 60 at work in the lace-curtain department. They pay good wages. Men on machines average $16 a week. The finishing department, when running full time, will average $9 per week. The lowest wages paid in that business is $4 a week and the highest $16. We know that in that part of Ker-

sington that the lace business is a benefit to it. It gives employment to a great many people. It started with a plant worth $150,000 or more, and the average pay in that department is $8 a week. At the same time skilled workingmen employed in the same branch abroad only make $7.50. You can see that in the statistics which have been given time after time. We therefore believe that protection gives us better wages and more work. We come in behalf of 250,000 people interested in the textile manufacturing industries in every part of that district which is represented in Congress by the Hon. Alfred C. Harmer. We people are a part of our American citizens, to whom in the future we must look. We have got to educate them there. Do you think it would be right to send our shildren to school and get them educated and then not to look to them for work?

If the protection is not maintained we will have to compete with the lowest paid wages in Europe, and we all want to try to be American citizens, and not to be brought down to a level with them. I do not think it is right. We have men in the city of Philadelphia who came from Europe and who did not average last year $2.75 a week. That is the average in free trade countries. You do not want to bring us in that same position. If we come down to them in wages, we will have to come down to their standard in living. That is as true as it is that it is impossible for water to flow up hill. If the English were as skilled as we are, we would have to work for the same wages as they. It ought to be clear to you that it will come. If I have competition from two sources, the goods will have to be sold at the lowest market value—to use the trade expression. For instance, if there be in Bradford, England, looms making a certain kind of cloth and one in Philadelphia making the same kind of cloth, the difference in wages would be regulated by the goods placed on the counter to be sold and we would feel it in America. If a customer can go into a store and buy English goods and English products at half a cent cheaper, he will do so. There are men and women going into John Wanamaker's and other stores every day hunting for goods at a fraction of a cent cheaper, and when they find them they will buy them in preference to the dearer goods. With that competition, how long will the American looms last? The question is, which product is the highest priced one? As long as European product is sold over the counter at 1½ cents cheaper it will be the one that will be sold. Therefore, it would bring us down to the European standard. We ask you before enacting this bill to look into this matter and give us the benefit of it. We claim to be Americans, although some of us are naturalized Americans. I am an American citizen, being American born. The loss of business from the importation of goods made in Great Britain will affect our wages and we want you to aid us by maintaining the duty. We want you to give American workingmen the benefit of the duty.

Mr. GEAR. When was your lace industry started?

Mr. EDGAR. Two years ago.

Mr. GEAR. It was since 1890?

Mr. EDGAR. Yes, sir; it was since the enactment of the McKinley bill.

Mr. GEAR. You never had such prosperity before the McKinley bill was enacted?

Mr. EDGAR. No, sir; except in one or two instances, and they were small.

Mr. BYNUM. Is there any protection against the importation of labor in your industry?

Mr. EDGAR. No, sir.

Mr. BYNUM. The workingman who has low wages abroad can come over and compete with you in work?

Mr. EDGAR. Yes, sir; he can at the present time.

Mr. BYNUM. Is there not a large number of men coming over from those countries and working in competition with you?

Mr. EDGAR. Yes, sir.

Mr. BYNUM. Is there not a surplus of labor now seeking work in the textile industries?

Mr. EDGAR. There was not a year ago; in our district skilled workmen were advertised for.

Mr. BYNUM. Prior to that time there was a surplus in this country; there has been no slack?

Mr. EDGAR. No, sir.

Mr. BYNUM. You speak of a depression in the industries of your people, and of your people being out of employment; is not that true of protected industries as well as of unprotected industries?

Mr. EDGAR. No, sir; not in Philadelphia. Some nonprotected industries were working.

Mr. BYNUM. Do you know that in other cities, for instance out West, where they are constructing city improvements, that labor is out of employment and everything is stopped?

Mr. EDGAR. They derive a great deal of their living from the protected industries. The protected industries make a circulation of money.

Mr. BYNUM. Is it not because of the general panic that your industry is depressed?

Mr. EDGAR. In the district where I work some employers and other business men are talking about closing their stores because we are idle and can not buy.

Mr. BYNUM. That is where the storekeepers are dependent upon you? I suppose that our storekeepers are doing the same thing. They have closed some stores in Alexandria and refused to trust railroad men.

Mr. EDGAR. All through Philadelphia there is a depression of business. Take, for instance, the firm for whom I work; they now pay out only $22,000 a week to nearly 3,000 workingmen.

Mr. BYNUM. I can understand that, where the business is largely dependent upon the protected industry; but in other cities, where they do not depend upon protected industries, the same conditions of things exist. The depression is not peculiar to the protected industries, but affects the unprotected industries as well?

Mr. EDGAR. Yes, sir.

The CHAIRMAN. You say that the interests of skilled labor is to have steady employment at good wages.

Mr. EDGAR. Yes, sir.

The CHAIRMAN. And that steady employment at good wages depends upon having a large market for the products which manufacturers make?

Mr. EDGAR. Yes, sir.

The CHAIRMAN. If I understand the argument which all of you gentlemen have made, and to which we have listened with very attentive interest, I believe you claim that the reduction of duty on finished woolen goods would lead to a large foreign importation of those goods?

Mr. EDGAR. Yes, sir.

The CHAIRMAN. And a greater competition between the foreign class of those goods.

Mr. EDGAR. Yes, sir.

The CHAIRMAN. And a greater competition between the foreign class of goods made in this country; and you believe that where the producer has to compete with the world's product he must pay the world's wages?

Mr. EDGAR. Largely so.

The CHÁIRMAN. That is the reason why you do not want that competition; that if the producer had not to compete with the world's product he would not have to pay the world's wages. I believe that is the position taken by all of you gentlemen?

Mr. EDGAR. Yes, sir.

The CHAIRMAN. Are there not many lines of industries which have to compete with the world's product; does not the wheat-raiser have to compete with the world's product?

Mr. EDGAR. He would have to compete with the world's product if he were on the same conditions.

The CHAIRMAN. Does he not have to do it, as a matter of fact?

Mr. EDGAR. The world has to compete with him.

The CHAIRMAN. If you will turn to this book which I have here you will find that last year, 1892, we raised in this country $161,000,000 worth of wheat and $75,000,000 of that wheat went abroad, which was probably one-third of the crop. Did not the American producer of that wheat have to compete with the foreign producers?

Mr. EDGAR. I don't know that all of the wheat-growers had to compete with foreign growers. We had a surplus. They had to compete with us. We sent our wheat out to them.

The CHAIRMAN. Yes, sir; and therefore we had to compete with them. Do you know the difference paid in Dakota and the difference paid for wheat bought of us in Rhenish Prussia, Austria, or India?

Mr. EDGAR. No, sir.

The CHAIRMAN. The price is larger in Dakota.

Mr. EDGAR. I believe so.

The CHARMAN. Do we not send out three-quarters of all of our cotton to compete with the world's product? Does that bring down wages in this country to the level of wages in India?

Mr. EDGAR. No, sir; because cotton is a home product.

The CHAIRMAN. We sent out of this country $2,500,000 worth of mowers and reapers, and $500,000 worth of supplies. Would you contend that the wages paid in making those implements are regulated by the wages abroad? Are not the wages paid in those industries higher than those paid abroad—those paid in Philadelphia and in other factories?

Mr. EDGAR. The laboring man is paid better here than anywhere in Europe; that is what I came here to keep up.

The CHAIRMAN. Your condition is that if you have to compete with the world's product you will have to pay the world's wages?

Mr. EDGAR. Yes, sir.

The CHAIRMAN. I find in the list of exports of the United States that we send out an average of $1,000,000 worth of clocks and watches. Are not the wages paid in making watches and clocks very much greater in this country than in England, Germany, or Switzerland?

Mr. EDGAR. I think they are. It is because they are exported and not imported.

The CHAIRMAN. For instance, we send out watches to India, and an

American firm has a contract to furnish the railroads of India with watches?

Mr. EDGAR. That is because we make a superior article.

The CHAIRMAN. Are not the wages of men making watches and clocks as high as the wages paid to skilled mechanics in this country?

Mr. EDGAR. I suppose they are.

The CHAIRMAN. We send abroad $10,000,000 worth of machinery of different kinds and $2,500,000 worth of some particular kinds of machinery, and of all our exportations, furniture made of wood, and various industries, the product of which has to compete with the world's product without being obliged at all to reduce wages to the level of the outside world?

Mr. EDGAR. That is because we are exporting.

The CHAIRMAN. Those wares have to compete in a foreign market?

Mr. EDGAR. Yes, sir; and that shows that protection on those articles is a benefit to us.

TEXTILE WORKERS.

STATEMENT OF WILLIAM G. LEES.

Mr. CHAIRMAN: As our chairman has said previously, we are not here as a partisan body, politically speaking. We come as delegates representing vast industries of the textile trade of Philadelphia. Individually I represent the ingrain carpet, a branch industry which in Philadelphia alone employs over 10,000 people. This industry under the protected tariff system has flourished. Mills and factories have sprung up throughout the entire district of Philadelphia and vicinity and other businesses of a kindred nature have followed in the wake of the factories. They depend solely upon the textile industries for their support. I realize that it is admitted to-day real estate has had a boom. Hundreds of working men have spent thousands of dollars and invested it in obtaining homes for themselves and families which they hope eventually to call their own. Prosperity in our industry has walked hand in hand with that valuable industry in our district and now we see upon the horizon a dark cloud. As it approaches it becomes denser and thicker and threatens to envelope us in folds of adversity. That which was prosperity is now chaos and confusion. Large industries have shut down entirely while others are endeavoring to run upon short time with a reduced force. Those who invested their little savings in real estate are apprehensive of losing them. Already institutions of public charity are being inaugurated throughout the city of Philadelphia for the purpose of meeting out some relief to the sufferers. Much could be told, but words would fail to accurately describe the suffering and misery already felt in the city which we all so dearly love.

As regards the industry which I represent I work with others in a branch of the textile trade that stands as free from competition as the ingrain carpet trade.

Years ago, prior to the civil war, our country depended largely upon Amsterdam and Halifax for the best grades of ingrain carpets; but since duties have been imposed upon importation that industry has thrived in our land while it has perished abroad. Manufacturers no longer import what they absolutely consume. We do not stand in

competition with Brussels, as we would with a lower tariff. We fear that with a tampering of the tariff upon that score they would be able to produce a cheaper carpet thereby underselling us and destroying this vast industry. We therefore appeal to you in behalf of the thousands of men we represent, to allow it to remain upon the statute books as it is, as we feel that by doing this you will restore confidence to the people and prosperity to the nation.

Mr. GEAR. Is there not in Philadelphia a large number of looms making carpets in private houses?

Mr. LEES. Yes, but the amount is limited. They can not make carpets properly. We can beat them with those power looms.

TEXTILE WORKERS.

STATEMENT OF MR. MARTIN S. LEGER.

Mr. CHAIRMAN: I am not going to detain you for a long speech. I merely come here to represent the people who are employed in the silk business in Philadelphia and who likewise have mills in Scranton. They are engaged in silk spinning, winding, and doubling. We are much oppressed. The mills are entirely stopped at Scranton, and at Philadelphia they are running only three days a week. I suppose it is for fear that the tariff, if changed, would interfere with the industry. We have had a tariff on silk. I once worked about three years in England. I have worked in silk all my life. The firm for which I worked got up a scheme to have work done in England. There is no duty on our raw material, and they went in to have their work done in England. But the inspectors in New York found that it was dutiable and put 60 per cent on it, which entirely knocked us out from importing from the other side. Therefore, I am afraid that if any duty is taken off it will be the means of stopping our industry in this country. The industries are prospering in Pennsylvania and New Jersey, and I am here on behalf of those people to call your attention to it, and to ask that you will not reduce the tariff on this special article. I may say that wages at this time are about $2.50 for a skilled man, and for a spinner and designer about $5 there.

We pay a skilled man at winding and doubling $6 here.

ADDITIONAL STATEMENT OF JOHN L. STEWART.

Mr. CHAIRMAN: I believe that that is all that we desire to say. We thank you for you kind attention and for hearing us so patiently. We would not have been able to answer all the questions as the most of the committee would desire us to do, but we have tried to answer them in a straightforward, practical manner. We leave the cause in your hands, hoping for a discrimination in favor of American industries. We are Americans and are willing to respond to the American cause in case of war and to defend her flag with our blood and our money. Foreigners owe no allegiance to the flag; he simply comes into the market—buys in our dear market and sells in his cheap market. He has no responsibility, and we appeal to you in the name of American citizens and as American workingmen, so that we can be able to live as American citizens ought to. Again we thank you.

TEXTILE WORKERS' PROTEST.

PHILADELPHIA, PA., *September 18, 1893.*

In response to a public call issued by the Kensington Reform Club for a mass meeting of textile workers, on Thursday evening, September 14, 1893, there came together the largest assemblage of the kind ever gathered in the Kensington mill district, and at this meeting the following resolutions were enthusiastically adopted:

Whereas the committee which appeared before the Ways and Means Committee at Washington, on September 9, purporting to represent the textile workers of Philadelphia, asking that the present tariff be not interfered with, was purely the outcome of a scheme hatched and carried out in perfect secrecy by a few petty mill bosses; and

Whereas the petition which they presented was signed by men, women, and children under pressure and in most cases without the signers being given an opportunity to know its contents, and then containing the names of less than one-fifth of all the textile workers of Philadelphia; and, as "honest deeds need shun no light," therefore, we as real workers, manly enough to face the issue openly, and conscious of being in the right, in public mass meeting assembled, hereby

Resolve, That we enter our earnest protest against the utterance tations of the said committee being taken as the expression of t unintimidated textile workers of Philadelphia; that we are m vinced that free raw materials and a corresponding general red absolutely necessary to insure prosperity to the textile industri that the numerous reductions of wages in our mills in the past gating from 20 to 45 per cent and more, is a positive proof that p upon the working people; that the false pretenses of those manu agents who claim to want a high tariff for the benefit of the wa exposed by the undeniable fact that every increase of the tariff followed by reductions of wages; that we, therefore, earnestly r make no unnecessary delay in the revision of the tariff on the lin rials and a corresponding reduction of relative duties, and the iniquitous discriminations against American labor which have so terized every protective tariff law of the past thirty-odd years.

Resolved, That the chairman of this meeting be authorized to of three to lay our case before the Ways and Means Committee a verbally or by memorial.

JOHN E. MULHOL
JAMES TORMEY,

IRISH TEXTILES.

STATEMENT OF MRS. ERNEST HART,

Founder of the Donegal Industrial Fund, Donegal House, 42 Wigmore Donegal Castle Irish Village, World's Fair, Chicago, as to the du imported woolen stuffs, knitted goods, linens, and laces made in Irela of The Donegal Industrial Fund.

The Donegal Industrial Fund, Bunbeg, Gweedore, Wigmore street, London, is an industrial enterprise Ernest Hart, in 1883, with the object of creating comm on the west coast of Ireland and elsewhere in that cou fit of the agricultural peasantry. It has trained them t of high class homespun and vegetably dyed woolen knitted hosiery and gloves and other garments; of art li eries and laces. And it has founded homespun, knitti linen-weaving, and embroidery industries, which thou in aim are carried on on sound commercial lines, au *indefinite* extension. It is at present engaged in carryin

of the Irish village and Donegal Castle at the World's Fair in Chicago, and in obtaining in this country an extended market for the products of its peasant workers.

WOOLENS.

The homespuns of the Donegal Industrial Fund are a unique production. They are all wool, made of the fine wool of the mountain sheep of the country; they are vegetably dyed, mainly from the wild plants of the bogs; they are extremely durable, and, also, owing to the fact that the natural oil of the wool is not thoroughly washed out, they are to a considerable extent impervious to rain. They are also hand-woven and in the majority of instances hand-spun.

The exhibition of hand manufacturing processes in Chicago; the knowledge that the encouragement and development of this homespun industry means prosperity to some of the poorest parts of Ireland; the honesty of the goods, their durability and artistic qualities, have excited great interest in these goods, and will lead to a demand for them in this country. They are, however, weighted in the market by the heavy prohibitive tariff of 50 per cent ad valorem duty and 44 cents to the pound, though they compete with no known product in America, and though they are made and can only be male under social and agricultural conditions, which do not and can never exist in America.

The object, I believe I am correct in stating, of the legislature is not to place on goods which are the staples of necessity such tariffs as will be prohibitive, but so to arrange the tariff as to maintain the revenue and to allow of the importation at reasonable rates those goods which are required by the people and which do not interfere with American manufactures. Of such a character are the goods which I represent, and for which I ask a diminished tariff. I trust I may be allowed to support my contention by reference to a few of the figures gathered from the statistics and blue books issued regarding the woolen trade for the last ten years. That the imposition of the increased heavy duties of the McKinley tariff operated in both reducing the imports of woolens and the sources of revenue are patent facts.

In 1890 the value of manufactured wool imports was $54,105,423; in 1891, $43,235,409; in 1892, $35,792,906. The revenues derived from duties on these imports were, in 1890, $37,440,051; in 1891, $34,857,453; in 1892, $34,293,606, thus showing a decrease of imports amounting to nearly $19,000,000 and of duties on the same of over $3,000,000. There is no doubt that Great Britain and Ireland felt severely the increased tariff on woolen goods, for the imports from Great Britain and Ireland fell in 1890 from $56,582,342 to $41,060,080 in 1891. I am aware that this comparison between 1890 and 1891 hardly represents the facts, as every effort was made by the English manufacturers to get goods imported in 1890 before the high tariff came into force. Now, according to the principles of protection, a prohibitive tariff on a staple would be justifiable and maintainable if it resulted in largely stimulating the home production of similar goods and the increased prosperity of the industrial classes. But an inquiry into the figures does not justify this conclusion.

We find that in 1880 there were in America 57,530 looms, which number had risen to 72,894 in 1890; and the hands employed from 161,567 in 1880 to 221,032 in 1890; the value of the products from $267,252,913 in 1880 to $338,231,109 in 1890. But on examination we find that this increase of woolen manufacture had not been in the direction of making

woolen cloths, but in making carpets, hosiery, and worsteds. In fact we find that in spite of high protective duties that there was an actual decrease in the production of woolen cloths in America, and that the products fell from $160,000,000 in 1880 to $133,000,000 in 1890. The woolen mills also decreased in number from 1,990 in 1880 to 1,312 in 1890; and there were, moreover, in 1890 no less than 267 idle woolen mills, representing a capital of over $6,000,000. But what is a significant and remarkable fact is that the cotton purchased for woolen mills rose from 24,000,000 pounds in 1880 to 37,000,000 pounds in 1890, while the foreign wool purchased dropped from 20,000,000 pounds in 1880 to 16,000,000 in 1890, and the domestic wool from 177,000,000 pounds in 1880 to 168,000,000 pounds in 1890. These figures and facts conclusively show that the high tariff did not result in increasing woolen cloth manufacture, but that it had the effect of introducing the admixture of cotton with wool in its manufacture so as to cheapen production. Another cause is probably the fact, quoting the special report on wool and the manufacture of wool issued by the Treasury Department in 1888, that "very few wools are raised in this country fitted for the manufacture of fine broadcloths and similar finished goods" (page lxv). I have been unable to obtain the figures of 1891, 1892, 1893, so as to compare them with those of 1890 and to obtain some facts as to the effect of the McKinley tariff on the woolen-cloth industry here, but judging by the figures of the previous ten years it seems apparent, in spite of the enormously increased production of raw wool in the United States, that the she does not and can not manufacture enough woolens for her people's consumption, and that the result of the heavy tariffs is to place at a prohibitively high price imported woolens, whilst the home manufacturer reaps the benefit of a protected competition for which the consumer has to pay an enhanced price of staple goods. The purchasing power of the poor is thus curtailed, and in order to withstand the effect of high wages caused by the increased cost of living, and to meet, at the same time, the demand for cheapness manufacture is debased, as is shown by the increased use of cotton in woolen mills. If woolens were introduced at a moderate duty a healthy competition would be established, industry and enterprise would find their outlet in the direction most congenial, and by one of the necessities of civilized life being diminished in cost, purchasing power would be increased, and the revenue would be increased instead of being now actually diminished by the heavy duties imposed.

So much for the argument in favor of admitting imported woolen cloths at a lower tariff. But apart from the general question, I would submit that the homespun woolen cloths made by means of our and similar industrial agencies, by the peasants of Ireland in the poor agricultural districts, may claim to be admitted with safety into the United States either at a small tariff or duty free. Inasmuch as, first, they are handmade on handlooms and therefore compete with no woolen products of America; secondly, that they are the products of and give the means of subsistence to a peasantry with whom there is the livliest sympathy in this country. To remove the heavy duties against their hand and cottage manufactures would be to aid these people in a far more substantial and permanent way than to raise relief funds for them in the times of their distress, which has been so frequently and generously done in America, but of which the necessity would be removed by industries.

It may be contended that these goods are luxuries intended for the rich and fashionable and therefore it is only right that they should pay a heavy duty; but in reply I beg to state that in the country where

they are made they are the staple articles of clothing of the laboring classes. Owing to the fact that they are all wool, of great durability, and to some extent rain proof, they are worn by those persons whose avocations expose them to alternations of heat, cold and wet. Could they be placed at the service of the American laboring man, particularly of the far West, they would doubtless, owing to the qualities above stated, have a certain acceptability for him and a sphere of commercial usefulness.

The importation of these homespuns into America is at present a small affair; but the demand for them is increasing, and the lowering of the heavy duties now imposed would lead to an increased revenue from this source owing to the increased importation of goods, which are unique and which compete with none manufactured in America.

KNITTED GLOVES, HOSIERY, AND GOODS.

The handknitting of gloves, hosiery, and fancy goods is a large industry in the congested districts of the northwest of Ireland, and it is one of the greatest importance to the very poorest people. Gloves can only be well knitted, to be a durable article of wear, by hand. These handknitted gloves are largely used here, particularly by the industrial classes in the severe weather, and they may almost be said to be an article of common necessity. At present they bear the immense duty of 49½ cents to the pound and 60 per cent ad valorem. The result is that the prices of production are driven down to the lowest possible ebb, while the price to the consumer is more than double what it might be for an article which he had to import because it is not manufactured here. We are manufacturers of handknit hosiery and gloves, and are booking orders for America for the latter, and I venture to submit that as these articles are not handknit in America, and as the agricultural and social conditions under which they are so made do not and will never exist in America, and inasmuch as their manufacture is of great benefit to the most destitute parts of Ireland, and also as the demand for these goods is increasing and likely to increase, that no injury could be done to the home trade by an increased importation at a lower tariff, but that the revenue would be increased by the removal of a prohibitive duty.

ART LINENS.

The linen industry of Ireland is so large, powerful, and well organized, and the trade with America is so extensive, that I do not propose to touch upon this great question more than to bring before your notice a small industry of art linens, which I have founded, the products of which have found much favor in America. These linens, known by the name of the "Kells art linens," are made on hand looms in the cottages in Ireland, under our direction, of yarns which are beautifully dyed and blended. The linen industry is one almost peculiar to Europe, the hand-loom linen industry especially so. A demand has sprung up in the United States for our Kells art linens, on the ground of their peculiar usefulness for certain art industries, such as those of upholsterers, furnishers, etc. The present duty on them is 50 per cent, and it is obvious that so high a duty is largely prohibitive and a restriction of trade. As the demand for handmade art linens is likely to increase, I submit that a moderate tariff on these goods would result in an increase of revenue, owing to the extended use of goods which are unique and compete with none of the manufactures in America.

LACES.

Irish laces are industrial products of a quite special character. They are the products of a people who can only partially support themselves on their small agricultural holdings, and who live under conditions of cheapness of food and habitation which make a small daily earning an important addition to the means of the livelihood of the family. They are made by women and girls, who attend at the same time to farm work and home duties. There are many varieties of such laces; they are special in character and peculiar in stitch, and are used for the trimming of ladies' dresses and for ecclesiastical and furniture purposes. Great interest has been excited by the exhibits of Irish laces which have been made by myself and others at the World's Fair. There is, in my opinion, no doubt that a considerable reduction of the present high duty of 60 per cent on Irish laces would lead to an increased trade, to no loss to the revenue. There is, I suppose, no object of trade on which the payment of duties is so often evaded as Irish laces. American ladies lay in large stocks of Irish laces for themselves and their friends on arriving on the other side, feeling that they are justified in doing so by aiding the cottage industries of a peasantry, the condition of which excites their warmest sympathy.

There is little doubt that the present high duty is an actual loss to the revenue, while it protects no actual and potential industry in the States. As laces and embroideries are grouped together in the customs reports, it is not possible to ascertain from them the exact imports of laces, and of Irish laces in particular. My experience as a manufacturer on the other side, and a seller on this, is that this high tariff on lace operates in driving down the wages of the producer and increasing the price on the consumer, the merchant being the only person who profits thereby, the high tariff being made the excuse for underpaying the worker and for overcharging the consumer. A moderate tariff on Irish laces would lead, I believe, to an extended trade and increased revenue, the better payment of the worker, and a much lower price to the consumer, without any injury being done to any American industry. A distinction might certainly be made, and justly so, between handmade and machine-made laces, of which the latter might at any time become an important industry in America; but as handmade or real laces are made under conditions which have not yet and are not likely to arise in America, the tariff on these may safely be reduced with benefit to all concerned.

I respectfully beg to submit this memorandum to the Ways and Means Committee of the Congress of the United States.

SCHEDULE K.

WOOL AND MANUFACTURES OF WOOL.

WOOL.

(Paragraphs 375-386.)

STATEMENT OF MR. THEODORE JUSTICE, OF PHILADELPHIA, PA.

Mr. JUSTICE. Mr. Chairman and gentlemen of the committee: I presume that it is your intention to place wool on the free list; and I also assume that in changing the laws that may destroy much of one of the largest American industries, that of agriculture; and I presume that before doing so you desire ample information on that subject to guide you in your wisdom. In endeavoring to give you any information, I want to call your attention to a few samples of wool as an object lesson, so as to more easily and quickly demonstrate what I wish to bring before you. In the first place, the wools of the roll which I now present are unlike the condition in which they left the sheep, for they are in the condition in which the manufacturer leaves them, with the alkali removed. In comparing this wool it is necessary to take the diameter and fiber in the same condition, but in giving the rates of the wool I take into consideration the blood and fiber in this condition, that is, scoured.

I know you will excuse the delay, because it will take but a few moments after I have arranged the samples. (Placing several samples of wool, in all conditions on the table.) This [indicating] is a sample of close merino fiber 2,000 diameters to the inch. That is grown in the Rocky Mountain region. In grazing, the natural oil in the wool causes the dust to adhere to it, and as soon as the winter commences and the grass disappears there is less adherence of dust than there is in better weather. During a season the farmer's clip of 100 pounds may contain 20 pounds of loss. The value of wool consists in the amount of scoured wool that it will produce.

This article [exhibiting] is wool from sheep produced in Australia. That climate is especially fitted for wool, as the sheep graze the year round. They do not have to be fed in winter as they do in the United States. Pasturage is better in the summer. The winters are rigorous in the United States, and it is necessary to feed the sheep. The cost of growing crops is in the planting and harvesting, and the feeding of sheep is labor, though there may be 10 per cent as interest on the investment, and things of that sort. The labor cost is 90 per cent for growing the wool in this country. The reason for that is that in this country there is a rigorous climate, where sheep have to be fed sometimes from November to the 1st of May; while in the southern half of the hemisphere the sheep run out from year to year. This is an important thing in raising wool.

This sample before you [indicating] will perhaps give you an object lesson that may be of some influence with you in determining your course with regard to the removal of this duty. It represents a clip of 70,000 pounds belonging to a gentleman named Layton, of northeast New Mexico. There is a great deal of sand in it. It was sold lately

and it realized 2 cents a pound. The cost of marketing was 5 cents, the most of which was freight. I sent a sample of this wool to England, and also to Antwerp. Our object was to get at its free-trade value.

This [indicating] is the same scoured. We sent the wool in the dirt as it comes to market, in order that the London merchants might know how to appraise its value. The firm of Helmet, Schwartz & Co., who are extensive dealers, reported that that was 28 cents scoured, making its value about 6 cents in the dirt. This is the free-trade value of this wool in London. With the duties upon the wool removed the London value would be 6 to 6¼ cents a pound. The cost of the freight from London to this country would be about the same as bringing it from a farm in New York into New York City. The freight fi
a similar lot would be one-quarter of a cent a pound. Ti
from Colorado to New York would be 1,200 per cent m
ascertained that the London value of this wool was 6 ce
wrote to the owner, stating what we had paid out in fr
cents for the cost of the marketing the wool. We wro
trade value of this wool was 6 cents, and that it was lia
We also wrote that, owing to the value of the wool
advance anything on it. He wrote us that he owed the
a pound; and, although we had told him that we
advance upon his wool, he drew on us for a cent a p
that he owed that amount to the shearers, and his life
so we paid his draft. He wrote that it would make a s
for the wool industry if this price prevailed, which w
cent a pound net on the farm. Helmet, Schwartz & C
wool at 28 cents scoured. Whitman & Co. returned
scoured Cape, which they said was worth 29 cents,
value of this wool as being worth 28 cents.

Here is a better article [indicating], and if Mr. Stepl
he would tell you that this scoured Cape is selling in Lon
It is a finer and more valuable wool than the New M
the freight on wool from the Rocky Mountain region to re
is twelve times as great as the freight on wool from Le
the American market, the wool grower is barred with
competition in his own market.

More than half the whole clip of the United States is
the Mississippi River. When the tariff law was passe
was comparatively no sheep west of the Mississippi Riv
were east at that time, with the exception of a few in
tariff made the duty 12 cents a pound, or 11 per cent a
the high price which prevailed outside made the dut
cent ad valorem protection. Under that condition of
clip of the United States increased with strides and bo
stripped every other nation in the world in that resp
Australia even, with its large acreage of perennial past

The CHAIRMAN. When was that?

Mr. JUSTICE. From the time of the passage of the la
its repeal in 1883. It was repealed in 1883, went into
and wool declined very rapidly from that time. Fro
the tariff on wool in the United States was under the h
1884 the repeal of the law had got into full operation
was fatal. The number of sheep in the United Stat
170,000,000. When the tariff of 1867 was repealed th
1883 reduced the duty to 10 cents a pound. Woolens

protected by a duty of from 13 to 15 cents under the law of 1867 had increased enormously. With the reduction in 1883 to 10 cents a pound, a number of sheep in the United States were slaughtered. That tariff was inadequate. It was a protective tariff and not a revenue tariff. When a tariff fails to be protective it is a revenue tariff. Under the revenue tariff of 1883, so far as wool was concerned, the wool clip of the United States decreased from 340,000,000 pounds in 1884, the first year after the new law went into effect, 12 per cent; but from 1873, under the tariff law of 1867, up to 1884, when it was repealed, the wool clip of the United States measured by the number of sheep had increased 100 per cent. No other nation in the world had approached us. Australia had increased in the same time from 280,000,000 pounds in 1873 to 460,000,000 pounds in 1883, while the United States had increased 100 per cent.

Take Great Britain, the only country which competes with us, and our condition is more favorable. In England sheep are fed. Although the winters are much harder the amount fed is less. The British clip decreased 19 per cent, while the United States was increasing 100 per cent. During the same years, while the wool clip was increasing 100 per cent, the Cape of Good Hope, with free trade, increased only 6 per cent.

This diagram [indicating] perhaps will answer as an illustration better than mere words can. This period of adequate protection showed that our wool clip had increased in an unparalleled degree, even exceeding that of Australia with its perennial pasturage.

Now, we will take the second period of inadequate protection from 1884 up to the time of the McKinley law. The increase in Australia was unchanged. During that second period, from 1884 to 1890, Australia increased 29 per cent; the Argentine Republic, under free trade, increased 23 per cent; and Great Britain had held its own. The Cape of Good Hope increased 6 per cent, and the United States (the only nation in the world to do so) decreased 12 per cent in her wool clip. It was because of this that the wool-growers of the United States demanded increased duties; and when the McKinley bill was passed they were accorded the beggarly increase of 12 per cent; but there was so much noise made about it that some think it was increased many times more than that amount. These figures are taken from Mullhall's Dictionary, which was used by Helmet, Schwartz & Co. Those were the figures which were quoted by Mr. Springer in his report from the Committee on Ways and Means.

Mr. TARSNEY. Would not the same tabulated statement show a similar favorable condition of the cattle industry during the same year.

Mr. JUSTICE. I am not familiar with that, because I am in the wool business.

Mr. TARSNEY. Is it not true that west of the Mississippi River the pasturage lands have been devoted to cattle?

Mr. JUSTICE. Changes in business conditions are always anticipated in this country. Merchants are looking ahead to see anything that is liable to injure their business. I have examined these facts because we are anxious to know what the effect will be. It is fair to assume that what has happened to manufacturers will occur again; and if the tariff law, which lasted from 1884 up to the passage of the McKinley law, was inadequate protection, then under a repeal the wool crop of the United States will be destroyed.

In the opening up of the Western country the wool-growers felt that there was some assurance that the wool crop would not be slaughtered.

The farmers of Michigan, Ohio, Illinois, and other States found a good market from the drovers. Mr. Springer in his report shows that the number of sheep in the United States had decreased, but he only took in a portion of the situation. If a man has sheep in a certain field for a certain length of time, and he decides to move them into another field, during the time of that process the flock will multiply. He may have transferred a certain number from a pasture, and when he turns back to look on the pasture which has maintained more than that, he says his sheep have decreased.

We had 40,000,000 sheep east of the Mississippi River previous to the tariff law of 1867, and they have simply been transferred to another pasture.

It has been attempted to be proven that the number of sheep in the United States has decreased, because in Michigan, Ohio, and Illinois sheep had been removed to the prairies beyond the Mississippi. We have a gentleman in Philadelphia, Col. McClure, an editor there, who writes about wool; and he writes to his paper that the wool clip has decreased east of the Mississippi River, when he ignores the fact that the farmers sent their flocks away.

Mr. TARSNEY. Are not those included in the statistics?

Mr. JUSTICE. No, sir; nor in the speeches made in Congress. It has been asked why it is that with increased protection under the McKinley law the price of wool has declined. It is very easily explained. This sample [indicating] is known as wool top. When a wool that has a sound staple is scoured, carded, and combed, the fibers will lay straight, and that is known as topped. The value of wool is based upon the yield of this article. This article to-day, and for a long time, has been selling in London at 40 cents a pound. Yesterday I was informed that an article not quite so good could be had at 37 a pound. This article called "top" is the only standard by which you can measure the rise and fall of wool. What has caused wool to decline since the passage of the McKinley?

On the 1st of May, 1891, this [indicating] was selling in London at 50 cents, or 25 pence. On the 1st of March, 1892, the next year, or eleven months after, it was selling at 37 cents. There was a decline of 26 per cent in eleven months. The London market dominates the world. As that market falls our market falls. While wool was declining 26 per cent in London the same article declined only 6 cents, or 3 per cent, in the United States. We have reduced the wools of the world to this condition; and under this condition on this wool [indicating], that you may compare the result with what it was in 1868, the London price was 50 per cent below the American price. In 1869 it was 56½ cents below the American price; in 1871 it was 41½ per cent. I do not know why that price occurred in that year. In 1872 it was 40 per cent below; in 1872 it was 58 per cent below; in 1874 the London price was 54 per cent below the American price; and in 1875 the London price was 55 per cent below the American price. In 1876 the London price was 54 per cent below the American price; in 1877 it was 45 per cent below the American price.

During this period we had a premium on our gold, and you may say that it is not fair to compare the currency price in the United States with gold price when the currency was depreciated. In 1878 we were on a gold basis. We find that in that year the London price was 50 per cent below the American price; in 1879 it was 40 per cent; in 1880 it was 58 per cent below the American price, and so on down to 1891, when it was 44½ per cent. The average was 51 per cent.

You may ask, are there other reasons? and why it is that we can not launch our product upon the market. We were always 100 per cent above them when we had an adequate tariff.

I think every man in the wool business is convinced that if you remove this duty the American wool-grower will be enabled to compete with the foreign wool-grower. In the years first mentioned the wools have increased 50 per cent. During that time sheep were sold in Australia at 7 pence. They were killed and boiled down for the tallow within 150 miles of Melbourne. That was the condition of the wool industry in Australia.

United States Consul-General Wallace in his report, which is on file, states the reasons why wool in Australia is 12 cents a pound. It is because their land is largely owned by the Government, and fenced by the Government. The sheep do not even require to be herded. The only cost is the labor in shearing and the marketing of the wool and the sheep. Can we produce wool for 12 cents a pound?

This wool [indicating] will net 1 cent a pound on the basis of to-day's London values. The wool-grower of the United States is getting 1 cent a pound, while his competitor in Australia is getting 12 cents a pound. If there is any manufacturer present, he knows that the farmer of America would have no market for his wool when it is only worth 1 cent a pound.

Mr. BRECKINRIDGE. Why is it that wool is worth 12 cents a pound in Australia?

Mr. JUSTICE. It yields 50 per cent more. It contains only 48 per cent of grease.

Mr. BRECKINRIDGE. What percentage of this American sample is grease and dirt?

Mr. JUSTICE. In that sample 70 per cent is dirt.

Mr. BRECKINRIDGE. You put the price on the grease and dirt, and not on the wool?

Mr. JUSTICE. That is the condition in which it is raised and sent to market in Australia. They have no facilities for washing. The wool is grown in that arid section.

Mr. STEVENS. The market is still regulated in London?

Mr. JUSTICE. Yes, sir. In Australia they travel 300 miles to shear. The sheep carry the wool on their backs. Last year they sheared with 70 per cent dirt, and this year it is 80 per cent.

Mr. BRECKINRIDGE. The wool grown by our farmers is not shipped to Philadelphia with that per cent of dirt, is it?

Mr. JUSTICE. Some of it is. If those sheep were transferred to Australia, and those in Australia were transferred to the United States, the ratio would be reversed. If sheep produced wool worth 12 cents in Australia, ours would be worth 60 cents in London.

Mr. GEAR. The rule is to ship in the grease?

Mr. JUSTICE. Yes, sir.

Mr. BRECKINRIDGE. It is less in the east than in the west?

Mr. JUSTICE. If you have been on the ranches you have seen that the grass grows in bunches, and when the sheep lie down the alkali adheres to the wool. If you took those same sheep into Ohio (from whence they came, immediately after the law of 1867 was repealed) and should shear them in Ohio, the shrinkage would be probably 15 per cent less.

Mr. TARSNEY. Does not the fact of this discovery account for the falling off in the product of wool in those arid regions?

Mr. JUSTICE. Sheep have not fallen off in the Territories. When the

price of wool fell the farmers became discouraged, fearing that the industry would be destroyed.

Mr. TARSNEY. Has there not been a large falling off in Kansas, Nebraska, and west of the Missouri River?

Mr. JUSTICE. No; I have the figures here. I have the number of sheep in the United States east and west of the Mississippi River; and, if you desire it, I will furnish it (producing paper).

Mr. TARSNEY. Have they not increased in Minnesota and New Mexico, and fallen off in Texas, Kansas, and Nebraska?

Mr. JUSTICE. The falling off has been mainly in the sections where agriculture is pursued. The increase has been on the ranches.

Mr. TARSNEY. Has there not been a corresponding increase in the raising of cattle because of the cattle syndicates having put money into cattle and horses in that section?

Mr. JUSTICE. It has been claimed that sheep raising in the United States east of the Mississippi has disappeared, because land has become more valuable. Senator Peffer has claimed in debate that the Territories are the only place where wool-growing would be destroyed. It is the freight rate that makes wool-raising unprofitable.

This sample [indicating] would be worth only 1½ cents. No man can raise wool at 1½ cents a pound.

Mr. STEVENS. What would the difference be?

Mr. JUSTICE. The railroad freight is 3 cents a pound; and the rate from London is one-fourth of a cent. The railroad rate is 12 times as great as the freight from London.

Mr. BRECKINRIDGE. Your argument is as to the effect it will have upon the wool-growers in the Territories?

Mr. JUSTICE. Yes, sir. Some of them are States now. I would like to ask how a man who raises that wool can pay twelve times as much freight to the market as the rate from London. I am under the impression that the wool clip will be destroyed.

Mr. STEVENS. How much dirt is there in that sample [indicating]?

Mr. JUSTICE. Eighty per cent. I am speaking of what it nets the grower on the land.

Mr. STEVENS. What is it going to cost in Philadelphia?

Mr. JUSTICE. Under free trade, it would be 28 cents a pound.

Mr. STEVENS. That is 6 cents a pound net?

Mr. JUSTICE. Yes, sir. In the shrinkage of 80 per cent, it would cost 28 cents scoured. It costs 5 cents to ship it. If there are any further questions you wish to ask me, I am ready to answer.

Mr. WHITING. Why is it that you prefer to buy the ranchman's wool?

Mr. JUSTICE. Because he is an American citizen.

Mr. WHITING. There is more advantage in buying that sort of wool, is there not.

Mr. JUSTICE. There is a disadvantage.

The CHAIRMAN. The consumer is an American citizen also?

Mr. JUSTICE. There is some consumed abroad.

Mr. WHITING. I would like to know if the price of wool ordinarily advances after it leaves the farmer's hands?

Mr. JUSTICE. I should say not. I think it more usually declines after it leaves his hands, for the reason that there is competition to get it. The farmer has a market immediately. After it gets to market there is competition to sell. A great many wool dealers have lost *money*. I can mention a house which was wealthy twenty years ago *and now* has nothing.

Mr. WHITING. I saw a letter you sent to a wool buyer, saying that if he paid over 20 cents for washed wool he would be likely to lose money.

Mr. JUSTICE. Exactly.

Mr. WHITING. The man replied that he did not feel like selling; and then you replied, last April, that the farmers could not afford to raise wool under a Democratic administration.

Mr. JUSTICE. I do not think I said that; I would like to have said it, but I don't think I did.

Mr. WHITING. When he asked you about selling you advised him to do so, on account of the fear of the duty being taken off.

Mr. JUSTICE. That is quite correct. Eighty per cent of the woolen mills are closed because they are apprehensive that woolen goods will be made free. Is Congress prepared to go to that extreme? The mill owners say that they can not make cloth at 50 cents less. Those woolen mills are idle.

Mr. WHITING. Is it a fact that when the wool gets out of the farmers' hands the market becomes better?

Mr. JUSTICE. I can cite circumstances in which it would be profitable. For instance, we have in our warehouse to-day a great many million pounds of American wool. It is consigned by our clients. That wool has shrunken in value to the extent of $200,000 while this agitation for free wool has been going on.

I did not mean to go into politics; but shortly after the inauguration somebody called upon President Cleveland and suggested that the tariff would be reduced. The President is reported to have said: "What are we here for?" The manufacturers took alarm. They could not sell a pound of wool. The market remained dull, and they are waiting to see if the tariff is likely to be removed. Somebody called also upon Secretary Carlisle, and he is reported to have said that wool would be on the free list six weeks after Congress met.

Mr. WHITING. That would not affect this clip?

Mr. JUSTICE. It would affect some of it. The mills are shut down now.

Mr. WHITING. Why are the mills shut down?

Mr. JUSTICE. Because they can not get orders for their cloth.

Mr. WHITING. Why can they not get orders for their cloth?

Mr. JUSTICE. Buyers will not order.

Mr. WHITING. I think it is because they have not customers to buy the cloth. I know farmers go into town and sell wool where they used to sell it and would buy woolens in return to run them through the winter. When they sell their wool they now turn about and buy cotton goods, because they can not afford to buy woolen goods. They have been told each year that next year woolen goods would be cheaper; and the next year they are surprised to find that the woolen goods have advanced after their clip had been marketed. That has been told them over and over again, but they have found that woolen goods have not gone down one cent. The merchant does not place his orders and the manufacturers are not making customers.

Mr. JUSTICE. Your information is wrong. If your facts are wrong your deductions are worthless. This room is full of manufacturers, and they can testify as to whether cloth is worth more or less than it has been.

Mr. TARSNEY. When did they shut down?

Mr. WHITING. Shortly after tariff revision was threatened.

Mr. TARSNEY. When was that?

Mr. JUSTICE. Shortly after Mr. Cleveland was inaugurated.

Mr. TARSNEY. Was not a bill passed in the House a year or two ago putting wool on the free list?

Mr. JUSTICE. Yes, sir.

Mr. TARSNEY. The Presidential election indorsed the action of the House in that respect?

Mr. JUSTICE. You are asking a question and I suppose you would like an answer. I believe more mills were closed last Saturday than a week before; I believe that more mills will be closed next Saturday than had been closed the previous Saturday. We employ a large number of salesmen.

Mr. WHITING. Is it not a fact that nearly all the manufacturers have memoralized Congress that the present depression is due to the financial condition of the country?

Mr. JUSTICE. I think the best opinion of the manufacturers——

Mr. WHITING [interposing]. Have they not said it?

Mr. JUSTICE. They have said that the silver bill is the cause of it. When you repeal the silver law you will find that they fear tariff revision, and will think that it was the only cause of this depression; and there will not be a single mill started until they can see their way through it. I am only repeating what has been said to me by manufacturers. I happen to know one or two cases where they are running now on full time. I am telling what I know. I know where mills have started up only because the wages were reduced 10 to 20 per cent. The mills I have in mind particularly have run out of orders, and have shut down. One man said to me: "We can not make goods at the present wages."

Mr. WHITING. I know it to be a fact that manufacturers have sent out agents all over the United States to solicit fall orders, but the agents were unable to get orders. Orders were withdrawn, so much so that the mills are doing but little business. It was not because the manufacturers did not have the goods at low prices; but it was because the buyers in the West would not buy, not fearing they would not be lower this fall, but they did not have the demand for t
been true before this depression. It is because of thi
ity on the part of the farmers and laborers to buy wool
year they buy more and more cotton and less woolen

Mr. JUSTICE. His information is not correct. On
jobbers in Philadelphia said to me the other day, "I
the mills stopping. We will soon have a goods famin

Mr. WHITING. Have your jobbers regular salesmen

Mr. JUSTICE. Yes, sir. I repeated that remark to o
manufacturers in Philadelphia, who employs between
people, and asked him if the jobbers feared a goods
quence of the idle mills, and he said there was no trut
"I don't take any stock in that. I will show you." I
sales would be about half a million dollars. His sale
said, exceeded his cancellations only $2,500; and now
were equal to his sales. That was the head of a large
ference of $2,500 in the amount of business done in o
very large cancellations. Some say the reason is that
buy more. Others say that the money market is ti
that the money has nothing to do with it, and that pe
the tariff revision. Taking the duty off always takes
cloth. It is a loss that is too great to be borne.

Mr. WHITING. Do the retail merchants have enough to run through the winter?

Mr. JUSTICE. I don't believe they have.

Mr. BRECKINRIDGE. Do I understand you to say that the manufacturers are without orders?

Mr. JUSTICE. They tell me so. I am only giving you hearsay.

Mr. BRECKINRIDGE. They would buy more, would they not, if they had profitable orders to fill?

Mr. JUSTICE. Undoubtedly.

Mr. BRECKINRIDGE. The jobbers are not giving orders because the retailers are not giving orders, and the retailers are not giving orders because the consumers are not?

Mr. JUSTICE. Exactly.

Mr. BRECKINRIDGE. Then you have destroyed the goose that laid the golden egg when you destroyed the consumer?

Mr. JUSTICE. There are times when business is dull. I suppose Mr. Stevens will tell you, no doubt, that there have been times when he would run his mill and store up his manufactured product, when he knew there was to be no revision of the duty?

Mr. WHITING. Factories are not now in the habit of piling goods up. They take orders.

Mr. JUSTICE. If you will get Mr. Cleveland to say that he will veto any bill reducing the duties the mills will be running before thirty-six hours.

Mr. WHITING. That is pure bluff.

Mr. JUSTICE. That is my opinion. There is only one thing more that I think you have not considered.

Mr. BRECKINRIDGE. What class of wool is this [referring to a sample]?

Mr. JUSTICE. That is full-blood merino.

Mr. BRECKINRIDGE. I suppose that is the commercial classification?

Mr. JUSTICE. Yes, sir; that is fine wool. That wool is made into the finest clothing. Seventy-five per cent of the clothing used is made of merino blood. If those sheep were brought to America and put on this market, they would produce that wool.

Mr. REED. The manufacturer acts upon the demand of the jobber, does he not?

Mr. JUSTICE. At present; not always.

Mr. REED. The jobber, also, in addition to the demand of the retailer and the miller, must have some opinion as to what will be the future demand?

Mr. JUSTICE. All merchants anticipate values.

Mr. REED. And the retailer and jobber both anticipate what the demand of the consumer will be? The consumer does not order first. The order comes from the jobber, for if that were not the case the consumer would be likely to go unclothed during the winter. The order of the manufacturer is an anticipatory one and depends upon the opinion of the merchant, does it not, as to what will be the probable demand of the consumer?

Mr. JUSTICE. Yes, sir.

Mr. REED. The condition of affairs will probably lower the price before he gets his pay, and the solvency of the consumer, who may also be the retailer, is to be taken into consideration?

Mr. JUSTICE. Without the shadow of a doubt.

Mr. REED. So that if the people believe, whether correctly or not,

that the introduction of this tariff agitation is going to lessen trade on account of a possible fall of price it will decrease trade?

Mr. JUSTICE. Yes, sir.

Mr. REED. So that a man may act with honest motives, for the loss of half a dollar a yard has a powerful influence with orders, either to the producer or in the line of transportation or distribution?

Mr. JUSTICE. Yes, sir.

Mr. REED. That is left out.

Mr. JUSTICE. That is a fact.

Mr. WHITING. [To Mr. Reed.] There is an element left out.

Mr. REED. Also the consumer may have his impress has been told each year about cheap prices—sometim and sometimes he does not, and, judging from the r election, perhaps, he does believe it, and has been in about a free country with tariff removed and a gener ness all over the land.

Mr. JUSTICE. The wool-grower is crippled now.

Mr. REED. That case of the ranchman is an extreme case, where there was a market and where the wool cli would not be so great.

Mr. JUSTICE. I have a tabulated illustration of tha tions they are close to the market, and the value of th much greater here. I have merely cited the worst cas it would affect the wool-growers in the western end when the transportation is so high.

Mr. GEAR. How much will wool shrink in washing?

Mr. JUSTICE. Fifty-two per cent.

Mr. GEAR. They take off very considerable in fleece

Mr. JUSTICE. In Ohio it would hardly shrink so mu dirt.

Mr. GEAR. How about Iowa?

Mr. JUSTICE. It would be more like 70 per cent in Io west you go the more dirt there would be.

Mr. WHITING. The transactions of the merchants' b a little more substantial than the question of the Maine would indicate. The merchant first takes acco on hand, and considers then the position of the marke governs him—the accumulation of goods. Each man dition of his own trade where he is doing business.

Mr. JUSTICE. If you will permit, I will get one mor wish to treat upon, and I will then answer any questio asked. The next subject is shoddy. This sample [ind from broken-up rags. This large one is worth a pen thing a pound. Its value would be to-day, if brought o cents. The duty on this is 30 cents a pound, making freight 32 cents. I may say there is less shoddy used in any country in the world, and if you want to know you; if you do not, I will pass the subject. If the pri they will have more of this this year. The kind used American rags. These rags are never as bad or as dir rags. So many people are out of employment in Euro tion of a rag-picker is quite a respectable one. In tim disease, when men die and are thrown in the trench, t dug up and finds its way to market. They are resu and the rags are taken, beaten, ground up, and not a

to any process that would destroy disease. Mr. Payne is wearing a worsted coat, but in the broadcloth suit there is usually a large percentage of shoddy.

Mr. TARSNEY. You have been speaking about the Australian and Mexican wools. If the same sheep were in Australia that they have in the West, the wool would be of the same quality, because there would be less dirt?

Mr. JUSTICE. Yes, sir, if the grade of sheep were the same. It is a question of climate.

Mr. TARSNEY. Is it not by reason of this difference in climate that the finer fiber is grown?

Mr. JUSTICE. No, sir. Some sheep from America were taken to Melbourne and exhibited there. They took the first prize. The jury was composed of Australians. An appeal was taken, but it was decided in favor of the American sheep. The American sheep were shorn in Australia.

Mr. TARSNEY. Did the sheep grow in Australia?

Mr. JUSTICE. They had been there long enough to become acclimated.

Mr. TARSNEY. Is it not a fact that by reason of climatic influences the wool of sheep in Kansas has more sand substance in it, which can not be eradicated from the fiber, and that, therefore, the manufacturers of the higher grades of cloth are compelled to import these wools of Australia and Montevideo to mix with their wools in order to make these finer grades of cloth?

Mr. JUSTICE. That is not correct. It is because there is better pasturage in Australia. If that sheep were moved to Kansas and kept a year, it would not be any better.

Mr. TARSNEY. We import to Ohio and other places these fine sheep from Australia. Are we raising that same quality more now than we used to?

Mr. JUSTICE. Not to the same extent. I have understood that Mr. Stevens, or some of his neighbors, formerly made those wools so fine that you could draw a roll through a finger ring. That was twenty-five years ago or more. That kind of sheep are not grown in this country, for the reason that they produce only 2 or 3 pounds of wool, and that class of wool to-day would not bring over 50 cents a pound, fleece washed, at the outside, in comparison with the 25 cents a pound of this grade [indicating]. Two pounds from one sheep at 50 cents a pound would be $1 per head for the sheep. They are raising a better quality, but they cost 50 cents per head. Pick-lock wool-growing has ceased to be an industry.

Mr. TARSNEY. I was talking with the superintendent and manager of a mill, who took me through the mill and showed me the processes of manufacture. He was using good machinery and making good cloth, and I asked him where he got his wool. He said he got a part of it from Australia. Knowing the country as well as I did, I asked him why it was that he imported wool from Australia and Montevideo when the county in which the mill was located raised so much wool. He told me that it was absolutely necessary, for the reasons I have stated, that he should import some wool. Did he understand his business or did he tell the truth?

Mr. JUSTICE. Very likely he told the truth.

Mr. TARSNEY. He told me it did not make any difference to him how much the duty was.

Mr. JUSTICE. Where was he located?

Mr. TARSNEY. In Michigan. He told me it did not make any differ-

ence to the manufacturer whether the tariff was 25 per cent or $1 a pound; that he had to import so much wool in order to make cloth. The only effect of the tariff on wool was to increase the cost of production to the consumer in the price. Did he act prudently in that?

Mr. JUSTICE. If he increased the cost of goods to the consumer when other people where raising it at a loss in his own county, I do not think he did.

Mr. TARSNEY. If he had to import a certain percentage of wool to mix with the domestic wool, as he stated to me, then the cost of that foreign wool was increased to the consumer to whom he sold it?

Mr. JUSTICE. I am not aware that there has been any increased cost of cloth since the McKinley bill was passed; but I am aware that importations have increased.

Mr. TARSNEY. I am getting at the effect of it. What I want to know is whether it is necessary for a manufacturer to import these foreign wools to mix with his domestic wool to make any grades of cloth?

Mr. JUSTICE. It is, to some extent.

Mr. TARSNEY. Then if we should cheapen the cost of foreign wools to the manufacturer, would not that lessening of the cost to the manufacturer enable him to get a larger market for the domestic wool?

Mr. JUSTICE. Of course, if you reduce the cost of cons
fabric, it would cheapen it, and it is generally believed
cheapen an article you increase the market; but there is
out of the calculation.

Mr. TARSNEY. Let us get away from that point. If you s
35 per cent of foreign wool to mix with 66 per cent of dom
the clothing that you are now wearing, and if this 35 per ce
in cost to the manufacturer, do you not think that it wo
effect of increasing his business and giving a greater ma
domestic production?

Mr. JUSTICE. The present state of affairs does not confi

Mr. TARSNEY. The present state of affairs is abnormal.

Mr. JUSTICE. On the 1st of March American merino wo
60 cents, and we are now offering it at 40 cents.

Mr. REED. When a man wants to buy goods his abi
somewhat upon having the money in his pocket, does it n

Mr. JUSTICE. Yes, sir.

Mr. BRECKINRIDGE. You exhibited a sample here of a
pounds.

Mr. JUSTICE. That was the clip of Mr. W. H. Layton,
Colo. We sold it for him for years.

Mr. BRECKINRIDGE. Is that anything like an average cli
in that part of the country?

Mr. JUSTICE. It is better than the average.

Mr. BRECKINRIDGE. What is the average number of sh

Mr. JUSTICE. Sheep run in bunches of 2,000. More th
not do well together.

Mr. BRECKINRIDGE. As a rule, do those ranchmen rec
deal more protection on their clips than they pay on the
they consume?

Mr. JUSTICE. They consume very little woolen goods.

Mr. BRECKINRIDGE. When you come East you do not
so large?

Mr. JUSTICE. No, sir.

Mr. BRECKINRIDGE. Do you receive shipments in the
from local dealers?

Mr. JUSTICE. We buy from the farmers.

Mr. BRECKINRIDGE. Can you tell what is the average clip of the farmer in the older States?

Mr. JUSTICE. Two hundred fleeces in Ohio would be an average—that is, 200 sheep.

Mr. BRECKINRIDGE. Do you think that the farmers of Ohio will average 200 sheep?

Mr. JUSTICE. A good many of them have 1,000.

Mr. BRECKINRIDGE. Will they average 200?

Mr. JUSTICE. Yes, sir.

Mr. BRECKINRIDGE. Will they average that much in Pennsylvania?

Mr. JUSTICE. Not taking the whole State; merino will.

Mr. BRECKINRIDGE. It is clear that the farmer or ranchman receives more benefit by a tariff on his wool than he has to pay to somebody else when he buys cloth; but that is not true of the producer of wool on the small farms in the older States?

Mr. JUSTICE. Of course it is in proportion to a man's clip.

Mr. BRECKINRIDGE. Have you figured that out to see how the duties on wool and woolen goods affect the wool-grower in the older States?

Mr. JUSTICE. If his income is reduced, his ability to buy will be reduced.

Mr. BRECKINRIDGE. I suppose the farmers in the older States where farms and flocks are small have to pay more protection on the woolen goods purchased for their families than they receive in protection on the wool they sell. The difference in this tariff tax would be a losing business to them, would it not?

Mr. JUSTICE. I do not think so. For instance, this suit of clothes contains 3 pounds of wool. If we had free wool, the woolen goods in it would probably cost 90 cents. Under the McKinley law as at first proposed, it would cost $1.80. The farmer who wears a suit of clothes like this pays 90 cents more under the McKinley bill than if he had sold his free wool in London.

Mr. BRECKINRIDGE. Is not the tariff operative upon woolen goods the same as upon wool?

Mr. JUSTICE. Yes, sir.

Mr. BRECKINRIDGE. It is as beneficial to the woolen manufacturer as it is injurious to the farmer who consumes the goods?

Mr. JUSTICE. The manufacturer could not live without it.

Mr. BRECKINRIDGE. I am not asking as to the merits of the case. I am considering the matter as an ordinary business proposition or an arithmetical question. Now, suppose the farmer receives $5 protection on the small wool crop that he sells, but, in the course of a year, he purchases for his family woolen goods on which he has to pay $10 more than he otherwise would pay; on that transaction is he not $5 out? He receives $5 and paid out $10.

Mr. JUSTICE. That is a matter of calculation. It is a mere question of figures, assuming that he buys his cloth no cheaper.

Mr. BRECKINRIDGE. I am not assuming that.

Mr. JUSTICE. You are assuming that he gets cloth cheaper under free wool.

Mr. BRECKINRIDGE. You are extending the range of the question far beyond the way I put it.

Mr. JUSTICE. I want to enlighten you.

Mr. BRECKINRIDGE. If you will address yourself to the question I ask, you will enlighten me more.

Mr. JUSTICE. Some men are poor listeners, and I am one.

Mr. BRECKINRIDGE. You have not calculated what was the effect of the increased price upon wool and upon woolen goods to the great body of the small farmers in the older States, have you?

Mr. JUSTICE. Certainly.

Mr. BRECKINRIDGE. Are you prepared to say how much the increased price has been to the farmers on an average, supposing he gets on his wool clip no greater an increased price by reason of the tariff than he pays out for what he buys?

Mr. JUSTICE. Yes, sir.

Mr. BRECKINRIDGE. Please give it in figures.

Mr. JUSTICE. Give me a moment. The man has 200 she will yield 5 pounds each. That is 1,000 pounds. In scoure age will be one-half of that amount, which leaves 500 poun wool. If he sells that at 60 cents he gets $300 for his s If he sells it at London price he gets only $150.

Mr. BRECKINRIDGE. That is a difference of $150 on his figure it.

Mr. JUSTICE. Yes, sir. Now you want to know how m pays for his cloth. Assuming that his cloth is of this wo pay 90 cents more for the wool in each suit. He has two s in family. In this case I am counting a woman's shawl wo as a man's coat; say two suits a year at 90 cents each, wh to $1.80.

Mr. BRECKINRIDGE. What price suit is that?

Mr. JUSTICE. I am counting the wool in it.

Mr. BRECKINRIDGE. You are giving an enormous price ing by reason of the protection. The cost of the protecti goods is higher than the protection of the wool.

Mr. JUSTICE. I am talking about the effect of the cost on wool in clothing. It is a simple matter. It is safe to 90 cents is over rather than under the additional cost Assuming that a woman's shawl is worth as much as though, if I throw in the shawl it would be fair to assume would be 90 cents for each suit.

Mr. BRECKINRIDGE. What price would you call that—s a $20 suit?

Mr. JUSTICE. This suit I have on cost $27.

Mr. BRECKINRIDGE. I am not talking of the cost of the the cost of the suit.

Mr. JUSTICE. I know nothing about the cost of the goo

Mr. REED. I suppose Mr. Breckinridge is not trying farmer pay the manufacturer.

Mr. JUSTICE. I assume that the man has two suits a yea each suit for the cost of the wool, which makes $1.80. He on this wool under the McKinley bill, and gets $150 by wool.

Mr. BRECKINRIDGE. That is simply on the wool in the

Mr. JUSTICE. Yes, sir.

Mr. BRECKINRIDGE. I did not ask you about that. Wh comes to buy his clothes he buys under the operation of woolen goods; and I ask you how much he would have to of the increase on his woolen clothing?

Mr. JUSTICE. I am not competent to answer that. All I is that when the rate on wool is high he has to sell a gr wool; and when the rate on wool is low he has to sell mor

Mr. BRECKINRIDGE. You are not prepared to say whether the farmer makes or loses by the tariff on the woolen schedule?

Mr. JUSTICE. The wool in his free-trade clothing saves him $7.80, and reduces his income from his wool $150.

Mr. DALZELL. He loses immensely by free trade?

Mr. JUSTICE. He loses the difference between $7.50 and $150; he loses $142.50.

Mr. BRECKINRIDGE. That is based on the calculation you have just given.

Mr. JUSTICE. Because you take the ground that you are not going to reduce the wages of labor.

Mr. BRECKINRIDGE. I was not talking upon that subject.

Mr. JUSTICE. You proposed to put wool on the free list. There is no question of that. That will bring down the wages of the wool-grower.

Mr. BRECKINRIDGE. In regard to shoddy, if manufacturers are compelled, under very excessive conditions, to buy wool, is it not necessary for them to use shoddy and other adulterants so as to bring the price within the reach of the consumer?

Mr. JUSTICE. There are a great many classes of wool in which shoddy can not be used. It is impossible to use shoddy in worsteds. It follows that if by competition or any other cause the manufacturer finds he must lower the price before he can sell his goods, he must cheapen this wool with an adulterant, or go out of the business.

Mr. BRECKINRIDGE. If the selling price is too low for the cost of manufacture, then is he not compelled to use shoddy or other adulterants so as to secure a profit?

Mr. JUSTICE. He can not sell below the cost of production.

Mr. BRECKINRIDGE. Either extreme will lead largely to the use of shoddy and other adulterants.

Mr. JUSTICE. I presume what has occurred before will occur again. The necessity of capturing the markets of the world has compelled the English to get a market. I presume that is on account of competition. One man makes goods, and his neighbor undersells him by using adulterants.

Mr. BRECKINRIDGE. Is it true that if a manufacturer is compelled to manufacture upon a very expensive basis and to buy at greatly enhanced prices the raw material which he used, he must use shoddy in order to get within the purchasing power of the consumer?

Mr. JUSTICE. If Mr. Whitman must compete with the English he will have to use shoddy, if they are using it.

The CHAIRMAN. Is shoddy the best adulterant?

Mr. JUSTICE. It is the cheapest.

The CHAIRMAN. Is it cheaper than cotton?

Mr. JUSTICE. This article is worth 2½ cents [indicating]. There is a duty of 30 cents on this when it is imported. This article was brought over by a man in his pocket. He smuggled it. If he had to pay duty on it, it would have cost him 32½ cents instead of 2½.

The CHAIRMAN. The McKinley bill not only increased the tariff on wool, but it increased the tariff on shoddy. Why was that?

Mr. JUSTICE. The object is to keep it out.

The CHAIRMAN. They are using cotton and other adulterants instead of shoddy?

Mr. JUSTICE. We can not adulterate wool with cotton without being detected.

The CHAIRMAN. I understood you to say that the increased cost of

such clothing, if purchased under the recent tariff law, would be about 90 cents?

Mr. JUSTICE. Yes, sir.

The CHAIRMAN. That is simply the increased cost in the price of the wool in the goods?

Mr. JUSTICE. It would be the difference between the price of wool in America and London.

The CHAIRMAN. As that passes through the hands of the jobber, the wholesaler, the retailer, and the consumer, is not that 90 cents increasing all the time, or does it remain stationary?

Mr. JUSTICE. If the merchants are doing business they are presumed to make on everything.

The CHAIRMAN. You were speaking of the different prices of wool, and you said the free-wool price of that Colorado wool was 6 cents; the London price is 6½ cents. Your idea is that if the tariff on wool were removed we would have free-trade prices?

Mr. JUSTICE. London prices would dominate the market.

The CHAIRMAN. Is it not a fact that wool, particularly Australian wool, regulates the price in London?

Mr. JUSTICE. Not always.

The CHAIRMAN. Do the Germans or the French import wool to this country.

Mr. JUSTICE. To some extent.

The CHAIRMAN. Is it not a fact that London is a free market, and if we had a free market could we not import direct from Australia?

Mr. JUSTICE. No, sir.

The CHAIRMAN. Your belief is that we would have to import by way of London?

Mr. JUSTICE. Yes, sir; and I would like to give y
English vessels are heavily subsidized. They ho
world, because they are protected.

Mr. BYNUM. The English vessels are not subsidi

Mr. JUSTICE. Yes, sir: they are.

Mr. BYNUM. No: they are not.

The CHAIRMAN. We will go into that question s

Mr. JUSTICE. There is a gentleman in this room
the facts.

The CHAIRMAN. I understood you to say that by
o woolen goods the American wool-producer gets
tariff in the price he gets for his wool.

Mr. JUSTICE. Whenever a nation is raising les
the producer, having no surplus, gets the benefi
When he raises a surplus the markets of the w
price.

The CHAIRMAN. I agree with you. Your proposi
effect of that is at the present time to double the pr

Mr. JUSTICE. Yes, sir.

The CHAIRMAN. What do you think of the justic
law that doubles the cost to the poor people in th
the prime necessities of life for the benefit of the r
Mexico?

Mr. JUSTICE. I think it is proper and right.
equivalent for it many times over. I illustrated t
of the average increase in the clip of the farmer of

The CHAIRMAN. We have a number of producers
do produce more than they use.

Mr. JUSTICE. That is true in the case of wheat.

The CHAIRMAN. Breadstuffs, meat, and cotton are in that category. We sold $3,000,000 worth of breadstuffs last year. We have free-trade prices for cotton and meat, and generally for whatever we have to sell in the outside markets.

Mr. JUSTICE. Exactly.

The CHAIRMAN. I understood you to say that the threatened tariff changes, putting wool on the free list and the reduction of the duty on woolen goods, was paralyzing manufacturing industries in this country to-day.

Mr. JUSTICE. I am sure of it.

The CHAIRMAN. Is it a fact that a great many of the mills which have shut down are taking an opportunity to enlarge their machinery?

Mr. JUSTICE. I do not know anything of that kind. If there is such a manufacturer he is a curiosity.

The CHAIRMAN. Is the American Wool Reporter a fair paper?

Mr. JUSTICE. I think the information you get in that paper is not correct. The Philadelphia reporter of that paper called on us for our market quotations and I declined to give them to him, because I said they would not report it correctly and would make me say the reverse of what I meant to say. Therefore I did not give them the information. I have seen a letter from Mr. Bennett, the proprietor of the paper, in which he says: "If Justice, Bateman & Co. won't give you the quotations get all you can and guess at the rest, because the Wool Reporter must have the correct quotations." [Laughter.]

The CHAIRMAN. I dislike to say so, but it would seem that he had more confidence in that than in your company.

Mr. JUSTICE. He is a member of the Massachusetts legislature, and I would rather not discuss that.

The CHAIRMAN. He is a Republican, is he not?

Mr. JUSTICE. I think he is a Democrat. His neighbors here will know.

The CHAIRMAN. Here is the American Wool Reporter for September, 1893. In one of the columns it gives a list of the mills which have resumed.

Mr. JUSTICE. Does it say "have resumed?" They have reduced wages 25 per cent. Does he say that?

The CHAIRMAN. No.

Mr. JUSTICE. He should have said that.

The CHAIRMAN. I notice that on the opposite page there is a list of the woolen mills that have resumed, and among others is the mill at Fall River.

Mr. JUSTICE. That is a cotton mill.

The CHAIRMAN. It reports that there will be no change in the other mills.

Mr. JUSTICE. If he published that as a woolen mill it shows his information is not reliable.

The chairman read a list of mills which it is said had resumed. Among others mentioned was the Sawyer Works, of Dover, N. H.

Mr. JUSTICE. I happen to know about the Sawyer Works. I received a letter from them before I came down here. We sold them wool largely, and hearing that they contemplated resuming, we offered them wool on a basis of 40 cents, scoured, which we had refused to sell the first of last March for 60 cents. We offered that as an inducement for them to buy, but they replied that they would not have any use for

wool for some time; so that starting up does not help the wool-growers much.

The CHAIRMAN. Do you know that when wool was put on the free list in 1867 there was an immense production in woolen mills in this country and there was prosperity in that business?

Mr. JUSTICE. No, sir; I am not aware of that, and I would like some evidence of it. I think you are mistaken about wool being on the free list.

Mr. TURNER. Is that sample of wool from New Mexico an average sample?

Mr. JUSTICE. It is better than an average. It is a safe statement to make that there are a million pounds of wool raised in that section which is inferior to this, but which no man will take to-day and pay more than the freight for it.

Mr. TURNER. It is degraded by being raised on alkali lands?

Mr. JUSTICE. It is a poor grade. The sheep have been poorly fed.

Mr. TURNER. Is that grade of wool a large element in the market?

Mr. JUSTICE. That Territory raises a great deal of wool.

Mr. PAYNE. Do you mean that this wool is of an inferior grade? He is asking about inferiority.

Mr. JUSTICE. Both. There are thousands and thousands of pounds of that on our market at 10 to 12 cents. On a free-trade basis it is not worth a cent.

Mr. TURNER. Have you an investment in wool or are you a manufacturer?

Mr. JUSTICE. We are agents for Western wool-growers. We receive wool and place it with different wool manufacturers throughout the country, selling each man what he requires for his business.

Mr. WHITING. Are you the agent of the wool-growe who buys from the grower?

Mr. JUSTICE. We are the agents of the grower. We issippi it is shipped to market by the grower. In sec merchant buys it from the farmer.

Mr. TURNER. Have you given the average number o flock-master?

Mr. JUSTICE. It would be about 200 sheep.

Mr. TURNER. What proportion of the population con owners in those sections?

Mr. JUSTICE. I do not recollect the figures; but I can number of flock owners are a million, and the number ployed by them amounts to another million.

Mr. TURNER. You would say that was an average—20(flock-master?

Mr. JUSTICE. The number per capita of owners is larg tions than in others. For instance, in North and South are as few as five or six sheep to a farmer.

Mr. TURNER. What whould be the average, taking the

Mr. JUSTICE. I could not answer that question, becau many sections with which I am not familiar.

Mr. TURNER. What is the necessity for these mixture ing it necessary for the manufacturer to import foreign

Mr. JUSTICE. There is no necessity for it. America c protection, raise all grades of merino wool, from the car thick lock wool. I stated a moment ago when you were that a man in this country had manufactured a reel o fine that you could draw it through a finger ring. That

West Virginia. It can be produced there now; but the raising of the coarser grade of wool is more profitable.

Mr. TURNER. Do we not import carpet wools?

MR. JUSTICE. Carpet wools are imported.

Mr. TURNER. For my own information, I want to know why Australian wools are imported for the purposes of mixing in making finer fabrics?

Mr. JUSTICE. It is because the Australian wool makes the soft finish. It has taken the place of the thick lock wool that used to be raised in such quantities in this country. We have raised that before, and with adequate protection we can do it again.

Mr. TURNER. As a dealer familiar with the trade, what time, in your opinion, would be reasonable to enable the manufacturers and merchants to adjust themselves to the change?

Mr. JUSTICE. I do not see how any mills can make goods until the change comes. The McKinley law is so constructed that the specific duty on a pound of cloth is four times the duty on the unwashed wool. That would leave no specific duty, and therefore to put wool on the free list itself without any further action would lower the value of cloth 44 cents a pound at once; and that is what is causing the trouble.

Mr. TURNER. Regardless of any allowance of time before the act taking effect, what would you say?

Mr. JUSTICE. If the date is fixed when the duty will be removed, there will be no necessity for closing the mills. If there was an assurance by this committee that it would not pass, or by the President that he would veto any bill that took the duty off goods previous to one year after the change, I think the mills would start at once.

Mr. TURNER. You did not quite get my question. I asked what would be a proper period of time as a notice before the act should take effect on free wool?

Mr. JUSTICE. I presume that it is safe to say that on an average wool is brought to the manufacturer at least a year before it reaches the back of the consumer; and it is believed that the consumer as well as the middleman is holding orders, because he expects to buy cheaper later on. I think the consumer would not buy at once, if he felt he could buy cheaper inside of a year. At present it would make half a dollar difference per yard on a three pound suit of clothes, which would be $1.50.

Mr. TURNER. I think there is great force in the idea. The protective prices ought to be taken care of. I was trying to get at what you would consider reasonable estimates as to the time necessary.

Mr. JUSTICE. I think that less than a year would be too little time to be allowed under the present uncertainty. The present uncertainty is almost as distressing as the actual change would be, for no man can make any calculations.

Mr. BRECKINRIDGE. In answering a question a little while ago, you estimated that there was 90 cents' worth of wool in the price of a 3-pound suit of clothes, due to the duty on the wool schedule; and now you estimate $1.50.

Mr. JUSTICE. What I mean is this: That the cost of a suit of clothes is increased 90 cents on a 3-pound suit by the present tariff law, assuming that it is made of merino wool.

Mr. BRECKINRIDGE. Just now you stated, in answer to a question of Judge Turner's, that the duty was 50 cents a pound on woolen cloth.

Mr. JUSTICE. Nearly 50 cents. For instance, the duty upon a pound of cloth is four times the duty on unwashed wool. If this is heavy

cloth, for instance, 30-ounce goods, that would make a difference of 90 cents a yard, if you put wool on the free list.

Mr. BRECKINRIDGE, You now indicate that there was $1.50 of an enhanced price, by reason of the tariff, as against 90 cents, in response to my question. How do you make that difference?

Mr. JUSTICE. It is heavier goods; that gives the result.

Mr. BRECKINRIDGE. Why state $1.50 to Judge Turner, and 90 cents to my question?

Mr. JUSTICE. I was allowing for two suits of clothes at 90 cents a yard, which would be $1.80, covering the difference for man and wife.

Mr. BRECKINRIDGE. Were you talking then of weight?

Mr. JUSTICE. I was talking of the difference which it would make to the farmer, and I assume he had two suits of clothes, which, at 90 cents each, would be $1.80 for himself and wife.

Mr. BRECKINRIDGE. In a 3-pound suit of clothes, do you hold that 90 cents is the only enhanced price by reason of the tariff?

Mr. JUSTICE. By no means.

Mr. BRECKINRIDGE. You simply mean that it is due to the enhanced taxation on the wool?

Mr. JUSTICE. It is due to the difference in free wool, other things remaining the same; labor, for instance. It is generally assumed, I believe—because I am more or less familiar with your views—that you all disclaim any act that would lower wages, and therefore I suppose you only make such changes as would put raw material on the free list. You would make no change as to operatives. That would make a difference of 90 cents on the wool in a 3-pound suit.

Mr. GEAR. There is a general impression among some people that if you transported those sheep to the Argentine Republic the quality of the wool would deteriorate by reason of climatic conditions.

Mr. JUSTICE. It has not been the case when sheep
exported. I have only two instances of that kind in min
the sheep of F. Julius Lamount. They were a cross of me
were shown in competition with the finest sheep of Europe.
had been taken by an Australian nobleman. They prot
new jury awarded the prize. The American sheep swept t
was better in staple and finer in strength of fiber. The w
jected to microscopic measurement and showed 2,500 fiber
The Australian is 2,000 to the inch.

Mr. GEAR. You say that if you take one hundred of thos
sheep to the Argentine Republic the wool would be the s
here, yielding perhaps a little less dirt. There would be
the fiber?

Mr. JUSTICE. Yes, sir.

Mr. GEAR. Would the fineness be affected?

Mr. JUSTICE. If the sheep is sickly the wool is dead.
sick his hair is thick. That applies to wool. In a fine co
will produce the same wool as in the Argentine Republic.

Mr. BURROWS. Do I understand you to say that we im
carpet wools?

Mr. JUSTICE. We raise some carpet wools.

Mr. BURROWS. Was there ever a time when we raised
wools?

Mr. JUSTICE. Yes, sir.

Mr. BURROWS. When?

Mr. JUSTICE. When wool was higher; along about 187
carpet wools then at 30 cents a pound. At that time

filled with Navaho sheep. That was before railroads were built. As soon as railroads were built, some of our Yankees from New York and other places introduced merino bucks. They immediately began to produce merinos, and are now raising a great many of that kind. Wool there to-day is worth so little that nobody will pay for it. The Mexican population cut off the wool with a knife. Sometimes they only get a pound and a half.

Mr. BURROWS. Would it be profitable to produce carpet wools?

Mr. JUSTICE. If the duty on carpet wool was 12 or 15 per cent it would, because the sheep make excellent mutton. But under the McKinley bill (which is now virtually repealed) we know that no ranchman can produce wool at 2 cents a pound.

Mr. BRECKINRIDGE. You say that you act as agent in a great many instances. When do they receive pay?

Mr. JUSTICE. The country storekeeper or banker supplies the woolgrower. The banker or storekeeper gets the wool crop and ships it to the Eastern market, and the woolgrower draws against it.

Mr. WHITING. He does not receive any profit?

Mr. JUSTICE. He simply gets back his loan. In Montana, which I believe is the most successful woolgrowing State west of the Mississippi River, it is usual for local bankers and storekeepers to supply what is needed, and when the wool is shipped the local creditor takes charge of the wool and consigns it to the Eastern market; and, if he is the banker or merchant he draws against it. It is usual to draw 15 cents. It was this year only 5 cents. This year they are in debt, and the bankers are compelling them to sell their sheep to satisfy their claims. Sheep are going out by the carload to Chicago for mutton. The sheep supply will be decreased very soon.

Mr. TARSNEY. What is mountain wool used for?

Mr. JUSTICE. It makes excellent cloth, because it is cleaner. It is nearer the quality of Australian wool than any raised in America.

Mr. TARSNEY. Wool in the mountains does not stop growing on the sheep when winter comes on?

Mr. JUSTICE. The mountains are more favorable to the production of wool.

Mr. TARSNEY. Is it not a fact that the wool stops growing, and where it stops growing there is a joint in the wool which renders it unfit to use in making clothing?

Mr. JUSTICE. The strength of the fiber depends upon the strength of the animal. If the animal is starved there will be a joint in the wool. In the mountains, if the fodder gets scarce, the sheep will be poorly fed, and you will find that when a sheep is ill fed there will be a poor or weak place in the fiber. It stops when the sheep is put on grass. When fed on grass the fiber grows stronger and better; and when there is a joint it displays a weak place.

Mr. TARSNEY. Is not that peculiar to that section?

Mr. JUSTICE. It only occurs when grass gets scarce.

Mr. BYNUM. How many woolgrowers in the United States do you estimate as depending upon the wool industry?

Mr. JUSTICE. I take my views second hand. I got them from Judge Lawrence, of Ohio, who is supposed to know more about the woolgrowers of the United States than anybody else; and he estimates that there are about a million owners. He estimates that each one employs at least one other; so that two million men would have no employment if the wool industry were destroyed.

Mr. BYNUM. What is the total clip in the United States?

Mr. JUSTICE. It is $66,000,000. It was 330,000,000 pounds at 25 cents a pound.

Mr. BYNUM. With two million of people engaged in it, it would make $33 a year each. Don't you think that they ought to go into some other vocation?

Mr. JUSTICE. If that were all. These sheep make a market for 2,000,000 bushels of other products.

Mr. BYNUM. The clip is only worth $66,000,000. You have to pay all these expenses out of that. These men have to pay for hay, corn, and all the other expenses, and get only $33 a piece of the industry. Would it not be more profitable to get into other labor?

Mr. JUSTICE. A great many of these people would have no other labor to go to.

Mr. BYNUM. Is it not a fact that wool is more of a by-product? The profit is in raising mutton?

Mr. JUSTICE. No, sir; that is a great mistake.

Mr. TARSNEY. Do you know that a large number of sheep [illegible] in Nebraska never shear the sheep at all?

Mr. JUSTICE. I suppose so.

Mr. BYNUM. You called attention to the fact that the sheep is diminishing in this country by reason of the reduc tariff since 1883.

Mr. JUSTICE. Owing to inadequate protection.

Mr. BYNUM. And the large increase from 1867 up to tha caused by a transfer of the sheep to the arid regions; but as try became settled up the business died out, as it has in States. Texas had at one time nearly 7,000,000 sheep.

Mr. JUSTICE. The reason of the decrease in Texas was th ple found a more profitable business. The sheep that wer have been shifted to another field. They are still in Uncle

Mr. BYNUM. Texas had 7,000,000 sheep, and they have immensely year by year?

Mr. JUSTICE. Yes, sir.

Mr. BYNUM. Do you attribute that to the effects of the ta you explain why it is that in France and Germany and t Kingdom, where they have free wool, the number of sheep has

Mr. JUSTICE. That is not correct. I think it is more likel have decreased.

Mr. BYNUM. Do you know that to be a fact?

Mr. JUSTICE. Yes, sir. I will tell you why it is. In scien ing, the production per head has increased; the number of ducing the increased amount must have been proportionatel

Mr. BYNUM. Do you not know that the number of sh United Kingdom has increased with a few years?

Mr. JUSTICE. I doubt it.

Mr. BYNUM. I think it would take me only a few minutes t that they have largely increased. After that they remained

Mr. JUSTICE. There are no merino sheep raised in Engl produced nothing but the coarsest wool. England has to tralia for her wool supply.

Mr. BYNUM. Perhaps that would be more profitable for u

Mr. JUSTICE. It would destroy $66,000,000 worth of she put wool on the free list the sheep will be gone, if you reali est expectations on free wool. The next generations would them back.

Mr. BYNUM. We had more sheep per capita in 1850 tha now, had we not?

Mr. JUSTICE. I am not prepared to answer that question. We use more wool per capita than any other nation in the world.

Mr. BYNUM. There is not enough wool produced to clothe the civilized world.

Mr. JUSTICE. Assuming that no more people will wear clothing, the world's supply has been gaining on the consumption rapidly. Hence the decline in value. The decline in Australian wool has been 30 per cent in six weeks.

Mr. BYNUM. Has not that been on account of the working in of shoddy?

Mr. JUSTICE. Why talk about the decrease of Uncle Sam's pasture? Since the tariff of 1867 it has increased 90 per cent; but it has been transferred from Ohio, Michigan, and Illinois.

Mr. BYNUM. Has not pasturing been done in New Mexico, where you say you can get good wool so low?

Mr. JUSTICE. You could make a good market for wool in thirty days. It would require a mere stroke of the pen to make the best wool market in the world in two weeks.

Mr. BYNUM. Ohio does not produce enough wool to clothe her own people.

Mr. JUSTICE. I do not know; but what has that to do with free wool?

Mr. BYNUM. What has it to do with protection? We have protected sheep out of existence.

Mr. JUSTICE. I have shown from these tables that the flocks have had inadequate protection and have decreased. I have shown that the London value of wool is 1½ to 4 cents a pound for Rocky Mountain wool. That is all that it is worth to the grower, according to the London prices.

Mr. BRECKINRIDGE. Do you suggest protection for the benefit of the man in New Mexico as well as the man in Ohio? Is not one a great disadvantage?

Mr. JUSTICE. We are all in the same country; we are all Americans; and we are all of the same family.

Mr. BRECKINRIDGE. Why confine it to Americans?

Mr. JUSTICE. You are legislating for the American people. What helps a man in one section helps him in another.

Mr. TARSNEY. Would it not be a good idea to legislate for the New Mexican?

Mr. JUSTICE. In New Mexico to-day the industry of the people is silver mining and woolgrowing.

Mr. WHITING. You make money, whether the woolgrower does or not.

Mr. JUSTICE. If the woolgrower does not have wool, I will not make any money. If you put wool on the free list, you will legislate me out of business. We would rather handle American wool.

AUGUST 31, 1893.

Hon. William Lawrence, of Bellefontaine, president of the Ohio Woolgrowers Association, delivered an address to the members in Grange Hall at the State fair grounds yesterday afternoon. Hon. L. B. Wing, of Newark, offered the following resolutions, which were unanimously adopted:

Resolved, That the woolgrowers of the United States can, and "with full and adequate protection for the wool industry," will soon produce all the wool and mutton needed for consumption in the United States.

Resolved, That free wool, as now the declared policy of the President and the Democratic majority in Congress, will substantially destroy the American wool industry and thereby injuriously affect all others, especially depressing the price of farm products and impairing the value of farms.

Resolved, That the woolgrowers of Ohio and of the United States are earnestly urged to oppose the nomination or election of any candidate for any political office who will not favor full and adequate protection for the wool industry.

Resolved, That inasmuch as the recent panic and the continued monetary stringency commenced with the export of gold, one necessary remedy is to so legislate that we will cease importing wool which comes chiefly from countries that take substantially nothing from us in return but gold.

Resolved, That the woolgrowers of Ohio and of the United States are earnestly urged to attend the mass meeting of woolgrowers, wool dealers, the cotton-planters, the farmers and members of grange organizations in the United States, on the 28th and 29th days of September, 1893, at Assembly Hall, on the grounds of the World's Columbian Exposition, at Chicago, and also to attend on the 5th of October, at the same place above mentioned, a meeting of the National Association of Wool Growers, to reorganize the association, elect a president, a vice-president from each State and Territory, and other officers, and aid in securing the objects aforesaid.

Whereas, under proper protection the United States would soon have 100,000,000 sheep, which, with the lands, buildings, and farm implements required for them would add $500,000,000 to our taxable wealth, and give millions in the employment of labor and bring an annual income in wool and mutton of $200,000,000 and make a vastly increased demand for pasturage, hay, corn, and oats, all of which will be substantially destroyed by free wool and mutton, bringing devastation three-fold greater than the destruction of all our gold and silver mines; therefore

Resolved, That such free wool and mutton would be the colossal political crime of the age.

Following is the speech of Judge Lawrence in full:

Gentlemen of the Ohio Woolgrowers' Association:

Again we have assembled to take counsel together on the subject of sheep husbandry, including the production of wool and mutton, and to consider the means by which it may be sufficiently enlarged and made fairly remunerative and prosperous.

I. All the people are interested in sheep husbandry and its increase. It would be a great mistake to suppose that this association is in any respect in antagonism to any interest or industry of any of our American citizens. A little more than half the people of the United States are engaged in agricultural pursuits, including the production of cereals, grass, hay, sheep, horses, cattle, hogs, poultry, rice, sugar, cotton, tobacco, garden vegetables, etc. It is conceded on all hands that there is overproduction in all these except wool, mutton, sugar, rice, and tobacco. The consequence of overproduction is unremunerative prices. The overproduction can and should be relieved by devoting to sheep husbandry a part of the lands now depressing prices with their too abundant supplies. Thus the enlargement of sheep industry would improve the condition of all our other agricultural industries.

More than half of the 600,000,000 pounds of wool on the unwashed basis annually consumed in the United States is imported in the form of wool and woolen goods. We can, under proper conditions, produce all needed wools. In order to do this our flocks, now numbering less than 50,000,000 sheep, should be increased to 100,000,000. This would require an increase of 4,000,000 sheep, as the fair proportion for Ohio, and this would make an increased demand for 4,000,000 bushels of corn for stock sheep, and for 1,000,000 mutton sheep, nearly, if not quite, 5,000,000 bushels more, or a total of 7,000,000, worth an average of $2,100,000. The demand thus made for pasturage, hay, and oats would in like manner aid present overproduction, would give increased employment to labor to care for sheep, labor to produce crops, labor to clear and improve lands. An addition of 4,000,000 to our sheep would, at fair prices, add to the wealth of our farmers $10,000,000 in the value of sheep and to their annual incomes for wool $6,000,000, and $4,000,000 for mutton, or a total of $10,000,000.

And all this would add to the value of farms. Every farmer in Ohio is deeply interested in the success and increase of sheep husbandry, whether he owns sheep or not.

Every other citizen is interested. Agriculture is the foundation on which all other industries are built. If farmers can not prosper none of our industrial or other classes can. An increase of sheep husbandry would make an increased demand for skilled labor to furnish building materials, to erect additional sheep barns, and to make additional agricultural implements.

It would increase the business of wool dealers and to add to the work of railroad transportation. The profits of sheep husbandry under proper conditions and the advantages to farmers not engaged in it would add to their financial ability to build houses, to buy farm implements, to patronize schools, colleges, churches, benevolent enterprises, and generally all pursuits useful among men.

HOW IT WORKS.

A manufacturer of drain tile recently said: "The prospect of free wool has reduced the price, and now I will get cheaper clothing. The free-wool policy of Grover Cleveland suits me."

Just then his mail came in with three letters from different farmers saying in substance each: "I had intended to buy a large quantity of tile for my farm, some of which I had conditionally ordered, but owing to the low price of wool I will not be able to buy." The tile manufacturer remarked: "The profits on the tile, the sale of which I have lost, would have bought all the woolen goods required for me and my family for years. I am no longer for free wool."

And this is only a sample case, which illustrates the relation of the wool industry to all classes depending on patronage or wages.

FREE WOOL WILL NOT GIVE CHEAPER CLOTHING.

All experience, too, has shown that if we permit foreign producers to destroy any of our industries, we are thereby made dependent on them for supplies, and with the foreign monopoly they will then dictate prices, and our people will pay higher prices than they would to home producers, and what is even worse, as our own production is diminished the means of buying foreign products will be reduced, and, too, often destroyed.

II. Free wool will destroy our American wool industry. Every intelligent man who has studied the subject knows that the woolgrowers of the United States cannot successfully compete with the woolgrowers of Australia, the Argentine Republic, of South Africa, and other countries similarly situated. The two countries first named have each over 100,000,000 sheep.

Sheep in these countries require little or no winter feeding. Pasturage costs nothing, or at most, in some localities, only a few cents an acre. Sheep are kept on ranches, with from 5,000 up to 1,000,000 in numbers.

Mr. Wallace, for the last four years, until recently, the American consul at Melbourne, in a letter, April 14, says of the cost of producing first-class good Merino wool in Australasia: "I have the testimony of more than fifty station owners, who keep accurate records, that their expenses amount to £75 per 1,000 head of sheep; that is $364.99, or 36½ cents per head, and returns show about 6 pounds per sheep, or 12 cents per pound for wool in the grease. This can be relied upon." See, also, Special Consular Report State Department on Australian Sheep and Wool, 1892, p. 205. Australian wool in the grease will not shrink in scouring more, and frequently not quite so much, as Ohio washed Merino. Theodore Justice, an eminent wool merchant, of Philadelphia, in a letter August 23 says:

"The Australian shippers can ship [wool] by sea [to Boston] at one-half cent per pound, where many of the American woolgrowers on the ranches [in the new States and Territories] have to pay in freight 3 cents per pound. This alone bars the American woolgrower from competition with the Australian woolgrower even in our own [Atlantic] seaboard markets where American wools are sold."

In other countries inferior grades of wool are produced at much less prices than in Australia.

There is an unerring mode of ascertaining the foreign cost of wool, which is shown by cost of imports, as follows:

The imports of wool for the fiscal year ended June 30, 1893, were:

Kind of wool.	Quantity.	Value.	Importer's costs.
	Pounds.		*Cents.*
Class 1	43,311,565	$7,877,676	17
Class 2	6,736,201	1,466,641	21.77
Class 3	118,386,070	11,720,863	9.90

The foreign wool thus costing 17 cents is chiefly Australian unwashed merino, nearly equal to best Ohio washed; that costing 21.77 cents, chiefly washed long wool, equal to our best Ohio washed, Shropshire, Southdown, Lincoln, etc., and the class 3 wools similar to the native Mexican or common coarse unwashed wools of Texas, New Mexico, etc.

These are the prices which wools would command at Boston, on the basis of the import prices, to which should be added about 1 cent per pound for freight and charges.

The true test of the price of wool is the value of the scoured wool.

The following table, prepared by Justice, Bateman & Co., shows the Boston prices of wools at places of production or shipment in the United States on the basis of London free-wool prices, August 1, 1891:

I will not now compute or state the fair cost to woolgrowers in the United States of producing wool. This is well understood. With free wool, American woolgrowers can not successfully compete with foreign woolgrowers. It is evident that free wool will substantially destroy the American wool industry.

III. How to maintain and increase the American wool industry.—Protection protects. A sufficiently protective tariff would keep out all foreign wool; it would give to American woolgrowers the exclusive privilege of supplying all needed for consumption in this country. Suppose the tariff law required importers to pay $1 a pound for the privilege of selling foreign wool. Every man can see none would be imported. Our flocks would soon be increased sufficiently to supply all, and home competition would secure wool at the fair cost of production. The rate of duty would be not merely protective, but absolutely prohibitory. This proves that a tariff can be made to give our woolgrowers the privilege of supplying all. But no woolgrower asks for any such rate of duty. We only ask for such rate as will keep out foreign wool when the prices here are no more than the reasonable cost of producing wool here. Such duty would admit foreign wool whenever prices here should go beyond the fair cost of production.

The tariff act of 1883, with a duty of 10 cents per pound on unwashed merino, effectually excluded South American wools. The American consul at Buenos Ayres, in his report to the State Department of December 13, 1888, says:

"The shipments of wool to the United States were exclusively of the long carpet wools from Cordoba, it being the only class that it is possible to send to our (United States) market, under our tariff, at a profit. Our tariff, so far as the clothing (merino) and finer qualities are concerned, is prohibitive. While those from Australia can come in, those from the Argentine Republic, owing to the greater amount of grease and dirt which they contain, are quite excluded. The amount of dirt and grease in the (unwashed) wools of the Argentine Republic reaches to more than 70 per cent, while the (unwashed) wools of Australia and New Zealand only have about 50 per cent. In other words, while the average yield of Argentine wools scoured is only 30 per cent that, of the other countries named is 50 per cent.

The McKinley tariff of October 1, 1890, provided protection duties as follows:

On class 1 wools: Merino, etc., unwashed, 11 cents per pound; washed, double duty; scoured, treble duty.

On class 2 wools: Down and other long wools, washed or unwashed, 12 cents per pound; scoured, treble duty.

On class 3 wools: Native coarse sheep, if of the value of 13 cents or less per pound. The duty is 32 per cent ad valorem; if of the value of more than 13 cents per pound, the duty is 50 per cent ad valorem.

This is sufficiently protective as against merino wools from the Argentine Republic. It was intended to give, as the platform on which Gen. Harrison was nominated for the Presidency in 1888 promised, "full and adequate protection." Under conditions then and previously existing, it would have afforded adequate protection as to first and second class wools.

Why, then, did prices of wool in the United States in 1892 decline below those prevailing when the act of 1890 was passed?

This is a fair question, and there is for it a complete answer. The decline was caused by the great decline in the price of foreign wool consequent upon a vast increase of sheep in foreign countries, and to some extent because foreign woolgrowers determined by reduction to ruin our wool industry here. In support of this I will offer only one witness: On March 1, 1892, Mr. Springer made a report in the House of Representatives on his free-wool bill, in which he refers to the increase of sheep in foreign countries, and to the reduction of our tariff on wool by the act of March 3, 1883, and says: "This increased production, following a reduction of the tariff on wool, had the effect to depress prices; but this depression is further explained by a general decline in the price of wool throughout the world. The act of October 1, 1890, increased the duty on wool on an average of 1 per cent a pound, with a view to increasing the price of wool in this country."

Another inquiry is pertinent:

Why is it that while the McKinley bill is yet in force the price of wool is down almost to the level of free-wool low prices of Australian and other wools in London?

It is true wool is low. The average price of good unwashed merino is now and for some months has been, in Ohio, 12 to 14 cents, of washed 18 to 20 cents, of medium wools about 20 to 22 cents. These prices are about 4 cents per pound below the level of the Philadelphia and Boston markets, the difference covering cost of transportation, commission, interest, and wool-buyers' profits.

A letter from I. Rosenberg, an eminent wool merchant, dated San Francisco, August 17, says:

"The prospective revolution of the tariff has knocked our wool down to 6 to 8 cents per pound in the grease and 25 to 33½ cents per scoured pound. It has paralyzed the industry of the coast already."

This, of course, is merino, shrinking 66 per cent in scouring, as much of all merino wool will.

Theodore Justice, in his letter of August 23, referring to a shipment of wool a year ago from northeastern New Mexico to Justice, Bateman & Co., Philadelphia, for sale, says:

"Last year we advanced 10 cents per pound on the shipment, and when the wool was sold we sent the shipper a check for a handsome amount besides, wool averaging here 17 cents.

"We now have in store a clip of wool from northeastern New Mexico, about 70,000 pounds. This year when the wool came in store and we had it scoured and found that its free-trade value was only 6 cents, and the freight and commission on it would be 5 cents, this left only 1 cent a pound for us to advance to the owner."

The inquiry is indeed pertinent: Why is this so, with the McKinley law in force?

The answer is: Soon after President Cleveland was inaugurated, March 4, it was proposed to him that tariff revision be abandoned, and he said, "Why, what are we here for?" His Secretary of the Treasury, a few weeks later, delared that wool would be on the free list within six months from the time the extra session of Congress assembled. In view of this, wool manufacturers said, with much reason:

"We must buy wool at free-trade prices, because before we can manufacture it into goods and sell it free wool will be here and foreign manufacturers will be here and all will be on a free-wool basis."

The threat of free wool is the cause of the low prices. In support of this I will give the testimony of one witness, the Boston Herald of June 16, Democratic in politics, which says:

"The wool market here has not improved from the extremely depressed situation noted a week ago. Tariff agitation, and a possibility of reduced duties on wool, unsettled the woolen-goods market to the extent that manufacturers are at a loss as to what they shall do. The possibilities of free wool also make it imperative that dealers shall buy the new clip at figures that will admit of its being sold on the basis of free wool."

And this is sufficient reason for the present low price of wool.

Of course, the monetary panic so unnecessarily brought on by the failure to maintain the $100,000,000 gold reserve, which could and should have been done, and the threat of gold monometallism, have aided but did not cause this result.

IV. The policy of free wool, now favored by a Democratic President and Congress,

is a new departure from the Democratic teachings of Jefferson, Madison, Jackson, Benton, and the Democratic party of Ohio in 1883. The Ohio Woolgrowers' Association is not a political party organization, but it aims to secure by legislation and other legitimate means the maintenance, increase, and prosperity of the wool industry. It accepts the policy of the national grange, as declared by its authorized lecturer, who, in referring to the Mills free-wool bill and the Springer free bill, said:

"The grange opposed the tariff of the Mills bill because it placed thirty-three articles produced upon American farms upon the free list to start with, and the average tariff for farmers in the whole bill was less than one-half the average tariff it gave the manufacturers. * * * The bill lately passed by the House of Representatives (the Springer free-wool bill) placing wool on the free list entirely ignored the rights of the farmer guaranteed under the Constitution, and the grange will never indorse such action while a single cent of duty remains upon manufactured wool. Wool is not a 'raw material.' Wool is a complete, manufactured article of the farmer, the result of his investment of labor and capital, and it should stand equal before the tariff law with woolen goods."

The Ohio Wool Growers' Association indorses the teachings of Jefferson, Jackson, and Benton as to wool. Jefferson was among the first to introduce sheep from Europe into Virginia. In his letter to Jean Baptiste, say March 2, 1815, he said:

"The prohibiting duties we lay on all articles of foreign manufacture, which prudence requires us to establish at home, with the patriotic determination of every good citizen to use no foreign article which can be made within ourselves, without regard to difference in prices, secures us against foreign dependency." (Jefferson's works, vol. VI, p. 430.)

And in his letter to Austin, January 9, 1816, he favored protection for manufactures, and declared his purpose of "purchasing nothing foreign where an equivalent of domestic can be obtained without regard to difference of price." Vol. VI, p. 521.

Madison sported his suit of domestic manufacture at the Columbian Agricultural Society of Georgetown, D. C., to show that he favored the protective policy. (Report U. S. Department of Agriculture on sheep, 1892, p. 174.) General Jackson, when a candidate for the Presidency, in his letter to Dr. Coleman of April 26, 1824, said:

"Providence has filled our mountains and our plains with minerals * * * and given us climate and soil for the growing of hemp and wool. They ought to have extended to them adequate and fair protection."

The act of Congress of May 19, 1828, giving high protective duties on wool was voted for by Benton, Van Buren, Buchanan, and all the leading Democrats in the Senate and House. The act of Congress of March 3, 1883, reduced a very little the higher duties on wool in the act of March 2, 1867. In 1883, the Ohio Democratic executive committee issued a circular denouncing the reduction, and declaring "That as protection * * * has thus far proved highly beneficial to the farmers of Ohio * * * this protection should not be withdrawn as long as a protective policy is pursued."

On April 7, 1881, every Democrat in Congress from Ohio voted for a bill to restore the wool tariff act of 1867.

This was indorsed by the Ohio Democratic State convention, June 25, 1884. On the 23d of January, 1884, the Democratic Ohio legislature—

Resolved, That our Senators in Congress be and are hereby instructed and our Representatives requested to use all honorable means, and vote for the bill to restore the tariff on wool as it stood prior to the recentreduction, etc. (See Ohio laws, vol. 81, p. 379, laws of 1884.)

And now in asking the voters of Ohio to favor "full and adequate protection for the wool industry," we only ask them to stand by the fathers and founders of the Republic and its great statesmen in all our history until the advent of Grover Cleveland.

V. The farmers, more than any other class, are interested in protective tariff duties. They need protection to save the wool industry from ruin. They need protective duties to keep out wheat, barley, oats, potatoes, hops, hay, beef, cattle, sheep, wool, eggs, poultry, dairy products, and garden vegetables from the Dominion of Canada, from Mexico, and elsewhere.

They need protective duties to keep out tobacco, cotton, hemp, rice, provisions, and other farm products from various countries of the world with cheaper labor and lands than ours. Without such protection all these would come in upon us in vast quantities to depress prices and take from our farmers the privilege of supplying them. Why should foreigners be permitted to supply any of these when our farmers can produce all? The farmers need rather more than less protection on some articles and an enlargement of the policy of exclusion. The imports for the fiscal year 1893 were in custom-house value $941,361,421, and of these, dutiable and free, there were imports of articles of food and live animals $335,867,309, or about 37 per cent of all, besides wool, $21,065,180; cotton, $1,688,799; animals, cattle, horses, sheep, poultry, $3,216,520; breadstuffs, $2,612,697; flax and hemp, $2,564,637; hops, $1,085,407, etc.

Every pound of wool imported is equivalent to an import of grass, hay, oats, and corn that makes it, and takes from our farmers just so much of our market. Every pound imported carries gold out of the United States, coming, as it does, from countries that take nothing else in return. The farmers need protection to build up manufacturing establishments to make a home market for farm and garden and orchard products.

Jefferson said: "We must now place the manufacturers by the side of the agriculturist." (Letter to Austin, January 9, 1816, Works, vol. 6, p. 521.)

General Jackson's letter to Dr. Colman said we should, by protective duties, build up factories, "thereby creating a home market for breadstuffs and distributing labor to the most profitable account, and benefits to the country will result."

We invite the coöperation of the Patrons of Husbandry or Grange, and indorse its policy as declared by its authorized lecturers, who, declaring the granger nonpartisan, said:

"And yet the grange has a tariff policy. What is that policy? It is the principle of equality as found in the Declaration of Independence, and guaranteed to us in the Constitution. * * * Hence, the grange has unitedly insisted that all tariff laws shall 'protect' the product of the farm as well as the product of the factory."

And this is precisely what the McKinley law does. It has been proved also that with free wool and mutton Australia and South America will drive our beef out of England and from our seaboard cities. [See State Depart., Special Consular Rep. on Sheep and Wool, 1892, pp. 35, 51, 113, 204.]

VI. American woolgrowers can supply all needed wools. It is sometimes said our woolgrowers will not produce carpet wools. But it has been proved that if we had, as we need, 100,000,000 sheep of various kinds, we could not avoid producing all needed carpet wools. The coarse "hip-back," "belly," and "breech" wool of the Shropshire, Down, Cotswold, Leicester, and other sheep and the wool of our common coarse-wool sheep would supply all. [See U. S. Senate, Mis. Doc., 149-51, Congress 1st Sess., p. 6.]

Again, it is sometimes said we need Australian wool "to mix" with ours for successful manufacture.

The eminent worsted manufacturer, William Whitman, president of the National Association of Wool Manufacturers, in his letter to Jesse Metcalf, November 22, 1889, said:

"In my judgment the American staple wools are better adapted for the fabrication of satisfactory clothing for the American people than any other wools grown."

That eminent manufacturer, Charles Fletcher, of the Providence worsted mills, in a letter, February 18, 1890, to the Boston Home Market club, said:

"The talk of 'mixing' Australian wool to make goods required for this market is all nonsense, as Australian wools are only used largely here when they are cheaper than domestic wools."

VII. The duty of woolgrowers.—The million and more of woolgrowers in the United States, including 80,000 in Ohio, have duties to perform. "Faith, without works, is dead." He who adheres to a political party which abandons its wise traditions and adopts a policy hostile to the interests of all our industrial classes is blind to duty and does not properly exercise the power of his citizenship. Our duty is to demand by voice and vote that no man shall be nominated as a candidate for, or elected to, any political office who will not use his power in every just mode to give "full and adequate protection to the wool industry" so long as any tariff duty is levied upon any manufactured product.

To the woolgrowers I say vote to save our industry from ruin. On the 28th and 29th days of September, at Assembly Hall, on the grounds of the World's Columbian Exposition at Chicago, attend the mass meeting of the woolgrowers, wool dealers, the cotton planters, the farmers, and members of grange organizations, to devise measures to promote the interests of the people engaged in the industries mentioned.

On October 5, at the same place, let representatives of woolgrowers' and sheep-breeders' associations and woolgrowers all over the country attend in force a meeting of the National Association of Wool Growers, to reorganize the association, elect a president, a vice-president from each State and Territory, and other officers, and to devise means to promote our common interests.

Let us not sacrifice our flocks, but keep and increase them until the friends of the agricultural and other industries of the country shall be able to secure the protection which they need.

VIII. Free wool would be the colossal political crime of the age. The director of the mint estimated the product of our mines of gold in 1892 at 1,596,375 fine ounces at the value of $33,000,000, and of our mines of silver at 58,000,000 ounces at the average commercial value of $0.875 per fine ounce, $50,750,000, or a total of $83,750,000. The destruction of these mines by legislation would be a colossal crime.

But the annual product of our sheep husbandry is greater than all this.

The number of sheep in the United States is, in round numbers, 50,000,000, with an annual product in wool and mutton which at fair prices would be $100,000,000, and developed to meet our needs would be $200,000,000.

Free-wool legislation destroying this would be the colossal political crime of the age.

The Indiana Wool-Growers' Association recently held a largely attended meeting in Indianapolis. Thomas Nelson, of Clark County, presided over the meeting. A committee, consisting of Hon. Calvin Cowgill, of Wabash; J. W. Robe, of Greencastle, and J. W. Hall, of Indianapolis, presented the following resolutions to the association, and they were unanimously adopted:

A moment's reflection forces the conviction that the less diversified are our pursuits as farmers the more shall we be compelled to extort from our fields in exhaustive crops, not only imposing upon us heavy expenses in maintaining the fertility of our lands, but forcing us into narrower channels of production, thus tending to glut the market and reduce the price for such surplus as we may be able to produce because of overproduction.

For the foregoing reasons, and many others that might readily be assigned,

Resolved, That we regard it as our imperative duty to ourselves, to our common country, and to more than 8,000,000 farmers and husbandmen of the United States interested either directly or indirectly in sheep husbandry, to use every honorable means of which we are capable in resisting any legislation tending to lessen the present duties on the importation of foreign grown wool.

Resolved further, That we regard the fallacious and sophistical arguments used by the free-traders to induce the woolgrower to believe that if there were no duties imposed on the foreign article he would be able to realize a better price for his wool as an insult to the understanding of every intelligent farmer.

The present fear of such legislation has to a large extent destroyed our markets and reduced the obtainable price that we can realize for our wool at least 33 per cent.

Whereas we, as farmers and husbandmen of Indiana, being interested in wool-growing and sheep husbandry, viewing with alarm the threatened destruction of that industry because of the proposed repeal of the law imposing customs duties on the importation of foreign-grown wool, do respectfully but most earnestly protest against any change or modification of the present law whereby wool and woolens may be imported into the United States upon more favorable terms to the importer than at present. And for our action we assign the following reasons:

Such threatened repeal has caused already a depreciation in the value of sheep and wool in this country of nearly, or quite, 50 per cent on that kind of property of the aggregate value of $300,000,000.

There is no branch of husbandry more remunerative to the American farmer if he can have that protection that will secure to him his home market for his wool than sheep husbandry, but it is impossible for him to successfully compete on equal terms in the same market with those who grow wool with the cheap labor and on the cheap lands of Australia, the Argentine Republic, and South Africa, and in other countries where it is produced at merely nominal expense.

When it is admitted, as it must be by all well-informed persons, that this country's main reliance in preventing heavy balances of trade against us in our international trade with other nations is upon the products of our fields, our herds, and flocks, the threatened destruction of that great industry becomes inexplicable. And more especially is that so when we reflect that if sheep husbandry is destroyed the American farmer shall be compelled to resort to branches of agriculture not only more laborious but far more exhaustive of the fertility of the soil, thus in every way lessening his ability to earn a decent livelihood.

Why that great industry should be singled out for destructive legislation when none are asking for it, and none are to be benefited by it except the foreigner or importer of his products, surpasses our comprehension to understand.

WOOL.

(Paragraphs 375 et seq.)

CLEVELAND, OHIO, *September 13, 1893.*

SIR: If you want to suit this mill, kindly put wool and all raw materials on the free list. Should this be done, we are willing to have the tariff on manufactured goods gradually reduced to 25 per cent, which is sufficient. This country can never compete successfully with Eureopean manufacturers until it gets free wool.

The proper thing for your committee to do is to act quickly and settle the matter for a year or two, and whether or not you reduce the tariff the mills will start up, as they will know what they have to figure on.

Yours respectfully,

BECKMAN & CO.,
Per F. A. MEHLING.

WOOL.

(Paragraphs 375 et seq.)

SAN FRANCISCO, CAL., *September 8, 1893.*

At a meeting of the San Francisco Associated Wool Commission Merchants, held September 8, 1893, the following resolution was unanimously adopted:

Whereas the wool interests of the Pacific coast are in a deplorable condition because of the threatened action of Congress to take off all duties on wool and to make large reductions in duties on woolen manufactures, and because also of the delay and uncertainty of Congressional legislation; and

Whereas it is utterly impossible to market wools at any price so long as this uncertainty exists, owing to the fact that a large percentage of the woolen mills of the United States have ceased to operate; and

Whereas if this state of affairs continues much longer it will have the result of bankrupting an immense number of people employed in raising sheep, growing wool, and manufacturing and dealing in same: Therefore,

Be it resolved, That we ask our representatives from the Pacific coast to urge upon Congress that some immediate action be taken, if possible, upon the question so vital to us.

Be it further resolved, If a change is made, we ask that such legislation as bears upon wool and woolens may not go into effect for at least twelve months from date of its passage, and that some public announcement shall be made as soon as possible to allay the uncertainty now existing.

JOHN H. WISE,
Chairman.
THOS. DENIGAN,
Secretary.

And others.

WOOLEN RAGS.

(Paragraph 389.)

Cotton and linen rags, and similar old material, known as "paper stock," are used for the manufacture of paper, and are on the free list, being a raw material. The paper industry in this country is in a very prosperous condition as compared with the paper industry of European countries; machinery and enterprise have done, and are doing in this

country what Europe has not got to the same extent. We export paper to Australia and even to England, and can compete in the world's market in some grades. This is in consequence of free raw material. What paper stock is for the manufacture of paper, woolen rags are for the woolen industry. Woolen rags are used for the manufacture of shoddy and mungo artificial wools, and these materials are needed to mix with cheap wool to make cheap garments, so that the workmen can wear good and cheap clothing.

The prices of woolen rags in Europe range from 1 cent a pound to 10 cents a pound, while the prices in this country for the same grades are between 3 and 20 cents per pound. There is no reason why the shoddy manufacturers should have to labor under the present duty of 10 cents a pound on woolen rags, which is entirely a prohibitory duty. Cheaper wools in consequence of low duty, in conjunction with cheap artificial wools, which can be obtained only through free woolen rags, would enable a woolen manufacturer of this country to give the American people cheaper clothing, and also to compete with European countries in outside markets.

A removal of the duty on woolen rags would not hurt the domestic dealer, as they would be able to buy from all countries, and thus do a much larger business. The dealers in paper rags are all doing a good and large business, and there is no duty on paper rags, so that the same condition would prevail with the dealers in woolen rags. We, therefore, would suggest, and respectfully ask the honorable committee to remove the duty on woolen rags, and put the same on the free list, as the paper rags have been for many years.

Respectfully submitted.

FELIX SALOMON & Co.

WOOLEN GOODS.

(Paragraphs 391-408.)

TUESDAY, *September 12, 1893.*

The following delegation appeared before the committee, Mr. Charles H. Clark, of Philadelphia; Mr. S. N. D. North, of Boston, Mass.; Mr. William Whitman, of Boston, Mass.; Mr. William H. Grundy, of Philadelphia, Pa.; Mr. H. L. James, of Rockville, Conn.; Mr. Goodall, of Sandford, Me., and Mr. John Hopewell, jr., of Boston, Mass.

The CHAIRMAN. Mr. North has given me a memorandum of the order in which the gentlemen will address the committee, and the first named is that of Mr. Clark, of Philadelphia.

STATEMENT OF MR. CHARLES H. CLARK, OF PHILADELPHIA.

The CHAIRMAN. I appear here as secretary of the Manufacturers' Club of Philadelphia, and I have a very brief paper addressed to the chairman of this committee, which I will, with your permission, read.

MANUFACTURERS' CLUB, 1409 WALNUT STREET,
Philadelphia, September 4, 1893.

SIR: The board of directors of the Manufacturers' Club of Philadelphia desires respectfully to represent to you that there are strong reasons why no radical changes in the tariff law should be attempted at the present time.

Last year, when an appeal was made to the people upon the question whether revision of the law should be undertaken, the condition of business was wholly unlike that which now exists. The nation had high prosperity in all departments of industry, the revenues of the Government were adequate to its expenditures, and experience had not yet fully demonstrated the inaccuracy of the accusation that the tariff act of 1890 obstructed commercial operations and laid heavy burdens upon the shoulders of consumers.

Since the beginning of the present year a wave of commercial depression has swept over the country. In so far as this depression has affected manufacturing establishments, we believe it to be in a considerable measure due to the apprehension entertained by manufacturers and their customers that there would be fulfillment of the threat of radical changes in the duties upon imported materials. While that threat remains, no manufacturer can engage with confidence in any operation extending considerably into the future. He will not buy raw material in quantities, when a change of the duties may involve him in heavy losses before he has turned the material into fabrics. He can not run his machinery upon fabrics in anticipation of a demand which may, because of heavy reduction of duties, satisfy itself with imported goods. His customers will not place orders for fabrics made with dear American labor while there is hope that fabrics made with cheap European labor can be had within a few months at lower prices. Manufacturers are afraid to operate their mills; merchants are afraid to buy. Into the industries which were in a state of unprecedented prosperity one year ago an element of demoralization and disorganization has been thrust, and with disastrous consequences alike to mill-owner and to merchant, to workmen and their families, and to the commerce of all the manufacturing communities which thrive only when productive industry is in active operation. The extent of the depression can not be estimated fully from the reports in the daily press. It is far more general and more severe than is indicated by any statistics that can be prepared. Large numbers of mills have ceased operations completely; but a much greater number are running upon short time while the smallest hope of better things remains. Many have already been compelled to reduce wages, and all that have not done so are feeling the pressure of a necessity to pursue that policy in the early future. It may be doubted if more than one manufacturing establishment in a hundred is at this moment working with the same number of persons the same number of hours a week as were employed in September, 1892.

Idle men and women swarm in the streets of the towns in which these industries are planted, and while employers are helpless in the presence of difficulties which threaten many of them with ruin, the unfortunate laborers, cut off from opportunity to earn their bread, observe the approach of winter with dread of the hunger and cold from which they must suffer, unless relief shall come to them in the shape of revival of industrial operations.

We express the opinion that this relief may be afforded instantly by an authoritative assurance that your committee will not assail the tariff law in such a manner as to expose manufacturers to unequal competition from Europeans working with lower wage scales. The pretext upon which such changes have heretofore been urged are now shown to be insufficient to warrant severe reduction of the protective duties. It is known to you that the tariff law of 1890 did not make a general increase of the customs duties. The commodities upon which the duties were not changed at all far outnumber those upon which the duties

were increased; and so large and so important were the reductions and the complete removal of the duties, that it is fair to believe that the benefit to the people from these changes much more than compensated for any injury that could have been inflicted under any circumstance by the few cases in which the duties were increased.

But we question if any respectable evidence can be produced in support of the theory that the masses of consumers have suffered hurt of any kind from the higher duties imposed by a few of the schedules of the existing law. It would be difficult to name any commodity in general use which has not fallen in price—and the decline has often been very great—since that act went into operation. Wool, for example, is much lower now than it was in 1890, or than it was even so recently as one year ago; and that which is true of this one article, concerning which it was declared that the higher duties constituted a grievous tax upon the clothing of the people, is true of nearly all other important articles that may be classed among the necessaries of life. A careful collation of statistics would probably show that the whole range of prices on September 1, 1893, was much below that which prevailed on September, 1892.

That the tariff law now in operation has not obstructed foreign trade; that it has not diminished the business of importers or excluded the people from the privilege of buying wares of European origin; that it has not built a "Chinese wall" around the country or permitted domestic manufacturers to escape the restraining influences of foreign competition, is susceptible of proof.

The value of imports has steadily increased under the law, so that the dutiable imports, which amounted to $368,891,625 for the fiscal year 1892, were swollen to $421,841,115 for the fiscal year 1893. The imports of woolen fabrics rose from $35,565,897 to $38,048,491 in the same period, although the domestic woolen manufacture was unusually active and prosperous, as is demonstrated by the growth of the imports of wool from 148,670,652 pounds in 1892 to 168,433,836 pounds in 1893. In like manner the imports of iron and steel, under this law which has been denounced as exclusive and unjust, rose from $28,420,747 to $34,450,734; while the imports of cotton fabrics increased from $28,323,841 in 1892 to 33,560,293 in 1893. It is difficult to draw any other conclusion from these figures than that the existing law, while permitting American manufacturers to continue their business with a fair measure of security; has compelled Europeans seeking this market to reduce their prices and to bear a share of the burden of duties for the advantage alike of the public Treasury, the American consumer, and domestic industry.

We appeal to you to consider if it is wise to subject to violent changes a system under which such results have been obtained. We ask you to consider especially if it is prudent to attempt such a change at a period when the country is suffering from financial depression and from the apprehension of injury to be inflicted alike upon employer and employed. It can not be doubted that considerable reduction of duties upon manufactured articles must at once be followed by reduction of the wages of American workmen. No employer wishes to do this. No reasonable employer will attempt it unless under compulsion. But, just in proportion as the protective duties are cut down must the compensation of the wage-earner be decreased. The labor cost of production, in all cases, is the chief part of the cost, and the protective duty is little more than the representative of the difference between wages paid here and wages paid by our European competitors.

We are confident that no member of the Ways and Means Committee

desires to inflict injury upon any class of Americans. There are persons who may be impelled by their declared belief in certain theories, or by the pledge of the Chicago platform, to proceed with the work of tariff revision without regard to the possible consequences. But we would urge that it is important to consider, first, whether this period of depression and suffering may be regarded as a good time to try experiments with the complex and delicate machinery of industry and commerce; and, second, whether the fulfillment of a promise of revision, made while the nation was highly prosperous, might not justly, under the changed conditions, be disregarded.

Respectfully submitted,

THOMAS DOLAN, *President*,
E. H. FITLER, *Vice-President.*

John H. Converse, James Dobson, George W. Elkins, James Pollock, Samuel H. Cramp, Joseph P. Truitt, James Gillinder, Benjamin Allen, John S. Naylor, W. H. Pfahler, Theodore C. Search, W. H. Grundy, John H. Lorimer, Chas. Delaney, Robert Dornan, Geo. A. Mitchell, Howard Evans, James Doak, jr., Henry S. Hale, Thomas A. Pearce, Geo. V. Cresson, *Directors.*

CHAS. HEBER CLARK, *Secretary.*

This is signed by the officers and directors of the Manufacturers' Club.

The CHAIRMAN. Your club is engaged exclusively in the manufacture of woolen products?

Mr. CLARK. No, sir; they manufacture almost everything in that club that is manufactured in this country. It relates from the smallest and most insignificant products to the great iron and steel works. One of its members is Mr. Cramp, who has his name signed to that, and another one is the Baldwin Locomotive Works. It takes in the whole scope of American industries, and that club desired me to come here and present that protest against any change in the law which would interfere with the prosperity of that industry or the people who are employed by them.

Mr. BURROWS. Have you any idea as to the amount of capital invested in the industries which your club represents?

Mr. CLARK. It is a very difficult thing to get at, but I should judge it would reach into the hundreds of millions. We represent not only the industries in Philadelphia, but in other States. We have a gentleman here to-day who is going to present his case to you, who lives in New Jersey, but who belongs to the club.

Mr. BURROWS. Have you any idea as to the number of laboring men represented by this club?

Mr. CLARK. No, sir; I have not, but it represents many thousands and tens of thousands, and I think that I ought to say between 60 and 80 per cent of them are idle to-day.

Mr. DALZELL. Covering a great variety of industries?

Mr. CLARK. Industries of every kind.

The CHAIRMAN. But your present protest is against any change in the duty on wool and manufactures of wool?

Mr. CLARK. Yes, sir; we prefer to have it let alone. We believe the McKinley bill is the best, not only for the manufacturer and the workman but for the whole country, that was ever passed in this House here.

The CHAIRMAN. How about the farmer, the producer of wool?

Mr. CLARK. I think that he ardently desired it. We know that they strongly contended for a duty on wool, and we believe he desires it yet. All the testimony we have is to the effect the wool-grower wishes the duty to remain on wool, and especially for woolen manufactures. I will say I know hardly a man among the woolen manufacturers of that club who wishes to have the duty taken off. They want to let the farmers of this country have some sort of a fair field for his product.

The CHAIRMAN. Do you suppose the duty on wool helps to stiffen the price of wool?

Mr. CLARK. That is a difficult question to answer. There are a great many things that work to put down the price of wool. The point we make about that, the way we make it, some of our friends on the other side insisted that if the duty on wool was advanced it would compel the American people to wear shoddy goods and put the price up, and we know it has gone down very seriously since that time. The wool-growers want it, I think you will find.

The CHAIRMAN. Have you any idea, of your own judgment, whether the tariff on wool has had anything to do with the decline in the price of wool in this country?

Mr. CLARK. That is a thing which would be, perhaps, unsafe for me to express an opinion; but I say I do believe, in fact I think I know, that a protective tariff—a tariff duty on wool—has always had the effect, when it was large enough, to increase the number of American sheep, which are so seriously decreasing now and which would seriously decrease under free wool. The passage of a free wool bill has been discounted, I apprehend. I understand sheep are being slaughtered in the western country because they fear you gentlemen will take the duty off wool. That will put up the price of mutton and wool, too, before we get through, if we go on.

Mr. GEAR. It makes us dependent upon the foreign markets for wool entirely?

Mr. CLARK. Yes, sir; I regard wool as much a munition of war as gunpowder. A nation that can not produce wool for its people and is liable to have its ports blockaded is in a very serious condition. Higher than that point, however, is the fact that it is an American industry, and ought to be sheltered and cared for and fostered by our Government.

The CHAIRMAN. The official organ of your organization is "The Manufacturer?"

Mr. CLARK. Yes, sir.

The CHAIRMAN. Do you remember—I am an occasional reader of that journal?

Mr. CLARK. It is very beneficial, Mr. Chairman, to read it constantly. I have the honor to be the editor of it, sir, so I speak with authority.

The CHAIRMAN. I think I recollect having read in that journal that the effect or the object of a tariff on wool was to reduce the price o wool?

Mr. CLARK. No, sir; I think you are mistaken about that, if you will look the matter over. The contention made in that journal when the matter was under discussion was that the result of putting a high duty on wool was to depress the price. The reason of that is that it encourages the wool industry at home to produce a large home supply. That is the theory of that contention you will find if you read it.

The CHAIRMAN. On the supposition that all duties were removed from wool and like fibers used in manufacture, do not you think that

the duties upon the manufactured article ought to be considerably reduced?

Mr. CLARK. Mr. Chairman, I would not like to accept the first premises, if you would permit me. I would not go so far. I say it is the duty of the manufacturers of this country to stand firm by every other industry put under the shelter of a tariff duty; I would not like to admit anything of the sort, if you will permit me.

The CHAIRMAN. You think the industries ought to stand together?

Mr. CLARK. Yes, sir; I believe the farmer who raises the wheat is as much interested in having a great diversification of industry as the manufacturer who owns the mill, the poor robber baron who is going into bankruptcy by the score.

The CHAIRMAN. In the first of your remarks you fix the distress on the wool industry of the country?

Mr. CLARK. I think not. I spoke of the industries generally. I do not think—I know I did not. Mr. Chairman, I live in a little manufacturing town that has a population of about 6,000 people just outside of Philadelphia, and I assure you positively from my own knowledge, without any wild estimate being made, that there are 1,000 men, women, and children idle in that town to-day, and without any prospects at all of employment during winter, and the people there believe, and I am free to say I believe, that it is because the question of repeal or reducing the duty is agitated in this Capitol.

The CHAIRMAN. I have lying on the table before me a letter which I received this morning from Aspen, Colo., in which the writer says that the people do not know from one day to another how to get their food, and he attributes it to the agitation of the silver question. Do you think we ought to suspend the agitation of the silver question and throw open the mints to the free coinage of silver?

Mr. CLARK. Speaking for myself—I have no authority to speak for the Manufacturers' Club—I say that anything that closes up a woolen mill, blows out an iron furnace, stops a cotton mill, forces down the price of wheat from $1.25 to 40 cents, or shuts up a silver mine, or in any way stops or closes any source of American wealth, is a great injury to the country.

Mr. BURROWS. What effect upon the price of wool do you think the threat of free wool has been?

Mr. CLARK. I think it has put wool down almost, if not quite, to the free-wool basis.

Mr. BURROWS. Because of the apprehension of having free wool?

Mr. CLARK. That is my opinion, but there are men here who are much more expert in this matter than I am.

Mr. BURROWS. If you should have free wool, as suggested by the chairman, and that should result in the destruction of wool-growing in this country, could it be anticipated from that wool would be any cheaper when we were dependent entirely upon a foreign supply?

Mr. CLARK. Under ordinary conditions I think the ultimate effect would be to put wool up, but there are extraordinary conditions existing in Australia at the present time which may help to keep it down.

Mr. TURNER. You stated, I believe, in the outset that you represented associated industries of every kind under your Manufacturers' Club?

Mr. CLARK. I would not like to say there are every kind of manufactures, but almost; at least a great number of manufacturing industries.

Mr. TURNER. Well, iron and textile fabrics are made by members of your association——

Mr. CLARK. Yes, sir; glass, shoes, leather, locomotives, machinery of various kinds, and almost every kind of fabric.

Mr. TURNER. For that class of your associates who are engaged in the manufacture of leather would they like a duty on hides?

Mr. CLARK. I am not prepared to answer that question, and I cannot say whether they would or not.

Mr. TURNER. What is the difference, in your opinion, in the question between the duty on wools and hides in regard to the policy you have just advocated on wool?

Mr. CLARK. I would not like to state authoritatively on that matter, but I give the off hand opinion we can in the long run produce all the wool we desire to manufacture. We now produce about one-half, whereas I think it is extremely improbable that we should ever be able to produce the number of hides consumed in this country.

Mr. TURNER. The men who manufacture leather and those who follow the industries subsidiary to the tanning business are engaged in some export trade. Are not we exporting some leather goods?

Mr. CLARK. Not to any very large extent, I believe. I will say I have heard the shoe manufacturers say that they did not care anything for protection for themselves, but they were for protection because they believed it made the country prosperous, and in that case they would sell more shoes.

Mr. TURNER. Do you remember during the last Congress they kicked very vigorously, if I may use that vulgarism, against the reimposition of duties on hides when this very bill which you advocate was under consideration? Did not the hide and leather men meet here and did not each side represent its views before the committee of which Mr. McKinley was chairman, and did not they present their conflicting views, one side asking a duty on hides and the other opposing it?

Mr. CLARK. I do not remember that.

Mr. TURNER. Again, I would like to know whether, as a matter of opinion or speculation, as the case may be, the principle which justifies a duty on wool does not also justify a duty on hides? A part of the contention which you gentlemen have made and directed with great force is, if you can not make all the material you need in this country, or products of different kind, you want at least to have enough competition to regulate the price of the imported article. Now, would not the duty on hides have a tendency to do that?

Mr. CLARK. I should doubt very much if it would. The production of a hide involves the slaughter of an animal and the production of wool, although there are persons who believe you kill the sheep every time you get his fleece, does not involve the death of the animal. At the same time I am hardly prepared to state authoritatively on the leather and hide question.

The CHAIRMAN. We exported in 1892 $12,000,000 worth of leather.

Mr. CLARK. That is manufactured leather.

Mr. BURROWS. Do you know anybody who raises herds of cattle in this country simply for their hides?

Mr. CLARK. No, sir; I do not believe such a thing exists.

Mr. BURROWS. Who slaughter the herd for their hides?

Mr. CLARK. No, sir.

Mr. BURROWS. The hides are simply a by-product?

Mr. CLARK. Yes, sir.

Mr. BURROWS. Sheep are grown for what purpose especially?

Mr. CLARK. There are a very large number of sheep grown chiefly for the wool. There are mutton sheep, but it is likely to be an inferior grade of wool.

Mr. TURNER. The chief thing you are trying to protect is a thing you would call an incidental or by-product?

Mr. CLARK. No, sir. We think that the wool is the principal product, but we believe that the presence here of very large flocks of sheep has helped to keep down the price of fresh food, and hence, to use an expression made use of by the late Dr. Hayes, that the saving to the American people in the price of fresh food by the existence of sheep is far more than what is paid for duties on wool; I believe that.

Mr. TURNER. If you encourage people to raise bullocks to make hides, would not that make food cheap too?

Mr. CLARK. As Mr. Burrows says, the hide is an incidental product; we do not raise cattle for hides. I am not in that industry very largely.

Mr. TURNER. They do, I believe, in some countries?

Mr. PAYNE. Do you know the importation of hides into this country are largely thick hides, such as are raised in hot climates, and which cannot be raised here, except under a hothouse, or some such a thing as that?

Mr. CLARK. I have understood it.

Mr. PAYNE. And of course, it does not come in competition with our herds, which have a thinner hide?

Mr. CLARK. I have been so closely confined to manufactures I have not studied this question.

Mr. GEAR. Is it not true that a large per cent of the hides which come into the United States are a class of hides that we do not produce at all, like goatskin?

Mr. CLARK. I believe so; there is an enormous importation of goatskin, and in Philadelphia we have a large market.

Mr. GEAR. These foreign hides are largely manufactured into sole-leather in Pennsylvania and southern New York, and are exported to Europe.

Mr. CLARK. They have an advantage in this country, I think, in regard to the treatment of hides. We have hemlock bark, which gives it advantage over other countries.

Mr. GEAR. The only two bodies of hemlock in the world are in Canada and in the United States?

Mr. CLARK. I have understood it was confined to this continent.

Mr. TURNER. Resuming the subject we were discussing, and reverting to your characterization of hides as a by-product, if you could restore the price which prevailed for hides a good many years ago, before the duty was taken off, is it not a fact that the hide of an Iowa steer would bring more than the fleece of an Iowa sheep?

Mr. CLARK. Indeed. I do not know about that. I am not sufficiently informed in regard to it.

Mr. TURNER. If you could put a duty on the hides, if that assumption is true, would you not get as much for the bullock and hide as for the bullock and sheep?

Mr. CLARK. I might answer that by saying, I believe no duty you put on the hide would cause the production of another additional calf in the United States, whereas I believe if you put the duty on wool it would produce more sheep. That is the best way of stating, it probably.

Mr. TURNER. Well, I happened to live in a country where they raised both sheep and bullocks, and I know there has been some complaint about sacrificing the hide at any rate, whatever they may think about the effect of the present tariff duty on wool. Perhaps we are running into the realm of speculation, but your ideas would be as satisfactory on this as some other matter.

Mr. CLARK. In the matter of hides it is purely speculative.

Mr. TURNER. Yes; I agree with you about that, but it is not at all to your discredit, because you have studied perhaps in other fields?

Mr. CLARK. I am much obliged to you.

Mr. TURNER. You have been a student of economical questions, of tariff statistics, and questions of protective policy?

Mr. CLARK. To some extent.

Mr. TURNER. And the editor of a journal——

Mr. CLARK. I am myself engaged in manufacturing, and I am free to say I have some practical acquaintance with these things.

Mr. TURNER. You say you are a manufacturer. What is the line of your manufacture?

Mr. CLARK. Surgical appliances of various kinds; rather a small matter.

Mr. TURNER. Now, pursuing this question in the way which perhaps is more congenial to you, what, in your opinion, is the distinctive advantage which the foreigner has over the American manufacturer under normal conditions?

Mr. CLARK. You mean general manufactures?

Mr. TURNER. I mean in general.

Mr. CLARK. Entirely wages, sir; labor cost is the better way to put it, probably. It starts with the mill and it runs through everything, even putting the goods in the case and putting the case on the dray.

Mr. TURNER. What, in your opinion, is the percentage of the labor cost on an average on the other side with industries with which you are familiar?

Mr. CLARK. It would be very hard for me to give an explicit answer to that, because in many cases I am not familiar with it. In the case of wool and worsted productions you can get a better answer from Mr. North, or some of these other gentlemen.

Mr. TURNER. But you are advising us to retain the present law without disturbance, so, of course, you must have some reasons for giving advice, having studied the matter.

Mr. CLARK. If you will permit me, I will give it to you right now. I believe it costs us at least double to spin wool and worsted here as in England. A man engaged in the knitting industry in Philadelphia who has just returned from Chemnitz, one of the greatest industrial towns on the continent, told me the other day that a person who gets $2.50 and $3 a day in a knitting mill in Philadelphia gets $2.50 and $3 a week in Chemnitz, and that a little girl who earns 75 cents a day gets 75 cents a week in Chemnitz, and that there they work eleven hours a day whereas we work ten hours. I do not think you heard that, Mr. Turner. A person who earns $2.50 to $3 in a day in a knitting mill in Philadelphia for the same kind of work done in Chemnitz gets $2.50 to $3 a week, and a little girl who earns 75 cents in a knitting mill in Philadelphia, a person who does the corresponding work in Chemnitz gets 75 cents a week. That is the information I received from a man who came from Chemnitz a few weeks ago.

Mr. TURNER. What is the difference in the productive results of labor on each side, about the same?

Mr. CLARK. I should think it would be a little more perhaps in Chemnitz, as they work eleven hours where we work ten hours, and they sometimes work on Sunday. It is a rule, not the rule, but a tolerable practice throughout the German Empire, to work on Sunday.

Mr. TURNER. You do not share in the current opinion that the American labor under better conditions, better fed, and better clad, has a greater efficiency than the starved and pauper labor on the other side?

Mr. CLARK. I may answer that question by saying I have noticed when a German comes over here who has been earning $2.50 a week in Germany and he goes in an American mill where he gets $2.50 a day, he at once begins to earn $2.50 a day.

Mr. TURNER. He earns it?

Mr. CLARK. Yes, sir; and he wears better clothes, and he is better fed, and he lives a great deal better.

Mr. TURNER. But you did not catch the point of my question; I am afraid you did not hear it; it is conceded the American laborer works under better conditions, but what I was referring to was the efficiency of his labor, the labor product, does not he produce more on this side than on the other?

Mr. CLARK. Under perfectly equal conditions, I should say he did not, and the reason I say that is this, and these gentlemen will bear me out, that our mills in Philadelphia have a great many Europeans in them, and those Europeans, I think, with the same machinery will do about the same amount of work as the Americans, and they earn just the same wages. Is not that so, Mr. Grundy? I believe that the tariff is almost solely beneficial to the laboring man.

Mr. TURNER. You do not ask any tariff then for the benefit of the manufacturer?

Mr. CLARK. He does get an advantage in being able to run his mill more continuously, and we do not have the surplus of Europe dumped here, he holds his own market, and the more prosperous the country is, the more he is able to sell and prosper. Those are our points. We do not pretend that there is no benefit to them.

Mr. TURNER. Now resuming my hobby, if we can call it so, I would like to know how much tariff will equalize the conditions? What is the labor cost of woolen goods on the other side, or rather what per cent of the cost of woolen fabrics on the other side would you, as a student of this subject, estimate it?

Mr. CLARK. Now, Mr. Turner, with the four, five, or six large woolen manufacturers, with the president and secretary of the woolen manufacturers' association here, I would hardly like to undertake to give an answer to that question. They will be heard after me, and I would rather for them to answer it.

Mr. TURNER. You are not able?

Mr. CLARK. I am hardly able to answer it.

Mr. TURNER. Can you give an answer as to your labor cost for woolen fibers on this side?

Mr. CLARK. No, sir; I am not prepared to do that to-day.

Mr. TURNER. Then you are not prepared to give information as to what is the equalizing conditions between the manufactures of woolens in the two countries?

Mr. CLARK. I venture to say this. I think it ought to be a little more than equal because the conditions are continually fluctuating. A tariff that may be entirely protective to-day may not be protective to-morrow or next day, or the next day. It is necessary to allow a little

margin for upward and downward movements and fluctuations of the market. That is a general statement of the case.

Mr. TURNER. Would it not be well enough to consider the consumer in fixing that barrier and let him have the advantage of some of these fluctuations?

Mr. CLARK. He is entitled to be considered just as anybody else, but he is not entitled to have anything at the expense of his fellow citizen.

Mr. TURNER. If the barrier could be a little lower it would inure to his benefit rather than the manufacturer, perhaps?

The CHAIRMAN. Suppose you reverse that proposition, that the manufacturer is not entitled to have anything at the expense of his fellow citizens?

Mr. CLARK. No, sir; he is not entitled to have anything at anybody's expense, and my contention is the tariff benefits everybody except perhaps a few importers in New York, and they would even prosper as the country prospers.

The CHAIRMAN. You think there is no way the American workman can get woolen goods cheaper?

Mr. CLARK. I do not think they will get them cheaper, and I state as a proposition you get them cheaper under the McKinley bill than ever since the globe began to roll. They are cheaper to-day than they have ever been in the history of man.

The CHAIRMAN. But they are not as cheap in this country as they are in other countries.

Mr. CLARK. I am hardly prepared to answer that, but I should say they are, looking at their quality.

The CHAIRMAN. Do you think the American workman gets clothing as cheap as the English, German, or Saxon?

Mr. CLARK. My opinion is those people do not have a chance to buy their clothing, to get these woolen garments. The only workmen who wear good clothes are the American workmen. That is what I have been informed; I have not explored the matter very largely on the other side.

Mr. TURNER. Do you know anything about an
existed in 1882 known as the Metropolitan Industri

Mr. CLARK. No, sir.

Mr. TURNER. Do you know Mr. Charles S. Hill, v
tician of the Department of State?

Mr. CLARK. No, sir; I was not acquainted with h

Mr. TURNER. You remember the tariff commissio

Mr. CLARK. Of 1883?

Mr. TURNER. I believe they sat in 1882.

Mr. CLARK. Yes, sir; I remember it very well.

Mr. TURNER. I believe there was a gentleman
who has since been noted for his extreme views on
and things of that sort, Mr. Porter.

Mr. CLARK. Robert P. Porter, I believe he had so
it, but I do not remember what.

Mr. TURNER. I want to call your attention to an
by Mr. Hill, who was the statistician of the State
that administration. He said: "One point further
in Europe, and United States"—that is what we a
"Here are some figures which show a remarkable
me an irrefutable fact or let him who questions i
evidence. The following comparison speaks loud
argument. Hands employed in the United States

products $8,000,000,000. Great Britain, hands employed 5,140,200; value of products $4,000,000,000." About the same number of hands are employed in the productive industries of the two countries, and the value of the product in this country is twice as much as Great Britain.

Mr. CLARK. What do you wish me to say about that?

Mr. TURNER. What have you to say about it?

Mr. CLARK. I have not anything to say, I thought you were going to ask a question.

Mr. TURNER. Is not that a fair statement?

Mr. CLARK. Now, I could not tell that; I could not say whether it was so or not.

Mr. TURNER. If it is a fair statement, would not that seem to indicate either that the manufacturers were selling their goods at about twice what they sell for in England, or that the American laborer is more efficient than he is in England?

Mr. CLARK. I could not state what inference you could draw, but I know as a positive matter they do not do it.

Mr. TURNER. Do they sell as cheap here as there?

Mr. CLARK. I would not like to say that, but to say that they sold for twice as much, or even much more, would be entirely incorrect as far as my observation goes.

Mr. TURNER. This gentleman deduces this conclusion: "Here is positive proof that American mechanics, in the aggregate, accomplish exactly double the result of the same number of British mechanics."

Mr. CLARK. I believe that is preposterous.

Mr. TURNER. He gives a further conclusion which you might not denounce that way: "They are therefore very justly paid double in wages." Do you also dispute that proposition?

Mr. CLARK. No, sir; I do not dispute the proposition. I dispute the manner in which it is presented. I doubt if the premises are right—the conclusions may be. I know poor men in the town in which I live, many of whom are my personal friends, who have now no wages, would be glad to have wages if they had to pay the price they used to pay before woolen goods went down.

Mr. TURNER. You spoke of shoddy just now. Has not there been an increased use of shoddy in the last few years?

Mr. CLARK. I should think not, sir. In looking over the statistics the other day I was very much pleased in consequence of the McKinley bill putting up the duty; the importation had fallen off from 8,500,000 in 1889 to 330,000 last year.

Mr. TURNER. How about the increased production of shoddy on this side?

Mr. CLARK. Mr. Turner, so far as I know there is no increase; there has been no large increased production of shoddy, and I think there has not been a large increased demand for it because there has been a large increase in the importation of raw wool amounting to more than 20,000,000 pounds last year as compared with preceding years. I believe the McKinley bill has given the people better clothing without their being required to pay more for it, and probably they get it a good deal less.

Mr. TURNER. Why was that increased importation of foreign wool?

Mr. CLARK. Because the woolen and worsted manufacturers in this country did not have a fair chance under the bill of 1883, and they did have a fair chance under the bill of 1890. I will say I was opposed to the bill of 1883, and opposed it with all the power I had, which was not much.

Mr. TURNER. And you think the present law has operated to encourage importation in foreign wool?

Mr. CLARK. I think it has so stimulated the American manufacturers of woolen and worsted goods that they have been compelled to go abroad and buy more wool to piece out than they brought in before that law was passed. The domestic industry has benefited by the unusual prosperity under the law, and in the meantime the prices of fabrics have not advanced.

Mr. TURNER. Do you mean to indicate it is your opinion that by putting the duty on wool up you encouraged this importation?

Mr. CLARK. I think that is hardly a fair inference from what I said. I said that I believe that the increased duty upon fabrics, by giving the American manufacturer of fabrics a better show, has created a demand for wool which could not be fully supplied at home, and consequently caused an increased importation of the raw wool and cut off the importation of shoddy, practically reduced it to nothing.

Mr. TURNER. Would you agree, then, with the views some of us have, that by enlarging the business of our woolen establishments, increasing their manufacture, their output, that we would thereby create a greater demand both for domestic and foreign woolens?

Mr. CLARK. I should think it would probably create a larger demand for foreign wool until we could manage to supply it at home. If you give a proper protection to the American sheep-grower, the time is not far distant when you will see every pound of wool, except, perhaps, carpet wool, grown in this country. I take the liberty of saying if the Southern people would put sheep on some of their barren lands between here and Florida and stand by that industry, they would do themselves good and the country good. There is a large opportunity for the development of sheep husbandry.

Mr. TURNER. Let me suggest that we would be very glad if some of you gentlemen who have so many idle millions would undertake that industry there.

Mr. CLARK. You will not give us a fair chance; you threaten to cut the duty down before we get started. Men will not invest money in a business and on the prospect of a duty that the Ways and Means Committee may cut off. You give us a tariff that will run constant for twenty years, and we will show you what we will do in regard to these industries. I know a gentleman who tried to raise sheep in Mr. Wilson's State——

Mr. TURNER. You are not deterred by the same considerations from going into the manufacturing industries.

Mr. CLARK. Well, we have to make our living and have to go along; these mills and machinery and men are there.

Mr. TURNER. The temptation before you, I admit, was somewhat pressing to make that remark about our being wanting in energy?

Mr. CLARK. I beg your pardon. I did not mean my reply to be discourteous.

Mr. TURNER. With our fashions and erroneous theories, perhaps, I did not know but it would indicate ——

Mr. CLARK. I did not intend to be impolite.

Mr. TURNER. We are willing to make a living in that section fairly towards you gentlemen who live in a more prosperous region. Our great staple is cotton. That industry happens to be now very much depressed. It needs lightening and alleviations of the burdens which bear upon it. They are making cotton now at a less profit, relatively, than you gentlemen will make cotton goods, I presume. As to the

woolen industry down there, the wire grass to which you referred possibly does produce a pretty good article of wool, but it is a kind of wool which you gentlemen do not buy very largely of, I suppose, do you?

Mr. CLARK. Personally, sir, I buy none except what I have on my own back.

Mr. TURNER. You represent an association which buys wool?

Mr. CLARK. Well, the association which I represent includes all kinds of industries, and the woolen industry is one of many. I am not an expert in the qualities of wool, sir.

Mr. BURROWS. You left incomplete some statement you were about to make in regard to the sheep industry of West Virginia?

Mr. CLARK. It was not a very important one. A friend of mine went over to Europe recently and bought some sheep, with the idea of introducing it on some lands he had in West Virginia, and I am not prepared to say how far he went, but I know he would be discouraged in that attempt if you cut off the duties on wool. That is all I wish to say.

The CHAIRMAN. We raise pretty fine wool in West Virginia.

Mr. CLARK. I believe they do; the industry is worth standing by.

The CHAIRMAN. In my campaign of 1892, I passed through one of the best wool-growing sections of my district and I found two old farmers there who had been pursuaded in 1888 to buy up wool, believing Harrison would be elected. They bought at Cleveland prices to sell at Harrison prices.

Mr. CLARK. I am glad to hear you have such men.

The CHAIRMAN. They lost heavily on the operation, I believe.

Mr. TURNER. I did not quite finish the little statement I was endeavoring to inject into this discussion. There are people in my section who are raising cotton and who are also raising wool. The man who raises cotton does not think the man who raises wool ought to tax him. They have tried out these theories of taxation perhaps a little more than you suppose. Our wool is not an expensive product at the same time, and the wool grows without much cultivation there, but if you were a citizen of that country, would you advocate the imposition of a high duty on wool to increase the natural product, as it were, at the expense of those who till the fields and produce cotton?

Mr. CLARK. I believe, sir, it is to the interest of every section of the country, and it is particularly to the interest of the South to have the widest possible diversification of industries; I think the South, after the experience of the late war, ought to have learned that lesson if no other, that every community should be as far as possible a self-dependent community with a staple product, cereals, and fibers, and also in its manufactures, so far as that can be done. I think the Southern people make a great mistake in not diversifying their industries. I think if they would raise wool with the same assiduity and persistence that they raise cotton it would be to the benefit of the whole nation.

Mr. TURNER. Perhaps your theory is not correct. The fact is that they have greatly increased the diversity of their products without a dollar of tariff.

Mr. CLARK. I was not aware of that.

Mr. TURNER. Well, it is so notwithstanding.

Mr. CLARK. You refer to the cotton mills, I presume?

Mr. TURNER. No, sir; I refer to every kind of agricultural production, as well as the other small industries.

WOOLEN GOODS.

(Paragraphs 391 et seq.)

STATEMENT OF MR. S. N. D. NORTH, OF BOSTON, MASS., SECRETARY OF THE NATIONAL ASSOCIATION OF WOOL MANUFACTURERS.

Mr. CHAIRMAN: I have here the brief of the National Association of Wool Manufacturers, which I will read:

BRIEF OF THE NATIONAL ASSOCIATION OF WOOL MANUFACTURERS.

To the Ways and Means Committee, Fifty-third Congress:

By direction of the executive committee of the National Association of Wool Manufacturers we lay before you copies of the resolutions adopted at the last annual meeting of the association with reference to the proposed revision of the tariff; also copies of the memorial and petition of the association, presented to the Senate in the Fifty-second Congress, against the passage of House bill 6007, entitled "A bill to place wool on the free list and reduce the duties on woolen goods." This petition was signed by 917 wool manufacturers, representing between 80 and 90 per cent of the entire machinery capacity of the United States, and was the largest petition ever sent to Congress from the industry.

We desire to renew this protest at the present time; and in behalf of all the signers we ask that it may now be made a part of the records of the Ways and Means Committee, and receive the careful attention of its members.

We especially emphasize the objections therein stated to a repeal of the wool duties.

The objections to any revision of the tariff have been increased and intensified by the course of events since this petition was prepared; and it has gained a force and significance it did not then possess.

We shall speak purely as business men, and offer for your consideration only plain business propositions. We shall not detain you with any argument in favor of the principal of protection as opposed to that of a purely revenue tariff. We are aware that the differences between us on this question are fundamental and irreconcilable. Nevertheless, we are hopeful that there may be found some common ground of agreement. We are encouraged in this hope by the repeated assurances from the most prominent leaders of the Democratic party that their plans of tariff revision contemplate no injury to the American manufacturer. President Cleveland, in his message of December 6, 1887, gave this assurance in the following terms:

"In a readjustment of our tariff, the interests of American labor engaged in manufacture should be carefully considered as well as the preservation of our manufacturers. * * * Relief from our present tariff laws should be devised with especial precaution against imperiling the existence of our manufacturing interests."

This assurance he and others have repeatedly and emphatically renewed, accompanying it with the statement that the tariff they propose, so far from injuring American industries, will prove beneficial in many ways. That must be determined by the test of actual experience; and we are not without hope that the party now in power, impressed with the sense of its responsibilities, and conscious that it can make or mar the future prosperity of our country, will enact a tariff law so just to all vested interests, so reasonable, and at the same time so adequate in its rates of duty, that it will be accepted by all parties, and remain undisturbed for an indefinite time. The political party which can deal with this question in the spirit and to the end suggested will not only promote its own welfare, but will win the approval of the great body of American manufacturers.

With this introductory statement, and abating in no degree our conviction that the existing tariff is the best for the welfare of the country ever framed, and has so proved itself in practical operation, we welcome the opportunity to make some suggestions to your committee, the adoption of which may somewhat mitigate the perils which inhere in any tariff revision at such a critical time as the present.

The suggestions we desire to make have been epitomized in the form of a brief, or summary recapitulation of the main points of importance. We refer you to the memorial and petition now filed for amplification of the arguments, and trust that opportunity will be given to the practical manufacturers present to explain and illustrate them in detail.

I. Assuming that tariff revision is inevitable, it is of vital importance that the nature and details of the revision proposed shall be made public as soon as is compatible with the care and deliberation so important a matter demands; and that the

bill shall be enacted and the existing uncertainty removed at the earliest practicable date. Fully 75 per cent of the wool and worsted machinery of the country is now idle; in the nature of things most of it must remain idle until the uncertainty as to the future conditions of the industry is definitely removed. But to allow ample time for preparation, no changes in the woolen tariff should go into actual operation earlier than January 1, 1895.

II. In consequence of the present and previous laws, we have now existing in this country a great and highly developed wool manufacture, utilizing (when fully engaged) over $300,000,000 of capital, employing a quarter of a million persons, consuming over 400,000,000 pounds of wool, producing products valued at over $350,000,000, and covering the widest range of goods. Every form and variety of product into which wool is converted is now successfully manufactured in this country. The wool manufacture is not only our greatest textile industry, in value of products and numbers employed, but it employs the largest number of establishments, which are widely scattered throughout the country.

So great and valuable an industry, laboriously built up, will surely not be jeopardized by too sudden and too radical a reversal of the conditions which have brought it into preëminence.

III. Peculiar and exceptional conditions surround the wool manufacture in this country, which make this schedule the most difficult of all to revise, and render it necessary to proceed with the utmost caution and conservatism.

IV. The framers of recent plans of revision failed to take cognizance of these peculiar conditions. The reductions proposed in the Mills bill of 1888 and the Springer bill of the last Congress were very much greater than appeared on the face, or than their authors realized, or than could have been enforced without disaster.

V. This industry is organized and has been conducted during the business life of nearly all engaged in it on the basis of high duties on its chief raw material. To stop suddenly from that condition into free wool, as now proposed, is a change more radical, more hazardous, more difficult of accomplishment than was ever before forced upon any industry in any country.

VI. Absolute free trade in wool is proposed, accompanied by the wiping out of the whole range of specific duties on goods, which are theoretically purely compensatory for the wool duty.

It is argued that the abolition of the wool duty and the specific duty on goods will leave the manufacturer in the same position, relatively, as at present, and on an equality with his foreign competitor so far as material are concerned. This is a fundamental mistake, as it is important to show.

VII. Even with free wool, the American manufacturer will still be handicapped to the extent of about 12½ per cent at present prices in the cost of his raw materials. The world's wool markets are abroad, and at the doors of foreign competitors, while we must pay foreign and domestic commissions and freights. They have the additional advantage of perfect familiarity with these wools and their uses.

VIII. The compensatory duties contain an element of safety, particularly on the cheaper grades of goods. It is the pound duty, and not the low ad valorem duty collected upon small values, which insures the domestic market to this class of goods.

IX. Upon goods where the specific duty is barely compensatory for the wool duty, the element of safeguard contained in this specific duty is most important. It is important because of the form of the duty. It is a duty which can not be evaded, and thus it has been a strong defense of the American manufacturer against the evil of undervaluation.

Whenever in the past this association has contemplated the possibility of maintaining the domestic industry with lower ad valorem rates than are now suggested, it has been with this safeguard of the specific duties in mind.

The moment the specific duty disappears, the imports of woolen goods will become subject to entirely new conditions, the effect and extent of which can not be estimated or foretold.

X. The removal of the specific duties accompanying the wool duties will in and of itself be a most radical measure of tariff revision and must involve a great loss to all engaged in the business, from the grower of the wool to the retail merchant who distributes the goods.

XI. The suggestion of this association therefore is, that in any revision contemplated the uniform ad valorem duty on woolen goods shall be fixed at not less than the maximum duty of 50 per cent with a duty of 40 per cent on yarns.

These rates contemplate the retention of the present ad valorem duty of 60 per cent upon clothing, almost the entire additional cost of which is labor.

This suggestion is not made as the basis of a compromise, but with the profound conviction that in view of the revolution proposed in the economic status of our industry, accompanied at the same time by the abandonment of the protective safe-

guards of specific duties, thus launching the manufacture suddenly into absolutely untried experiments, it is the lowest duty compatible with safety for years to come.

There are many varieties of goods now manufactured in this country which can not be made here under a simple ad valorem duty of 50 per cent, except by a very radical reduction in the labor cost. The increased importations and closer competition invited by the removal of one-half the present duties on woolens presuppose wage reductions all along the line, the responsibility for which the Fifty-third Congress must accept.

XII. A single uniform duty of 50 per cent will be an average reduction, on the basis of present importations, of about one-half in the present duties on woolen goods. The total average duty upon all manufactures of wool in the fiscal year ending June 30, 1892, was 95.81 per cent.

The total duties collected on manufactures of wool in that year were $34,293,606.17, of which $16,461,000 were specific in form. A duty of 50 per cent on the same importations would produce not to exceed $18,000,000 in revenue. To equal the revenue of last year from this source, the importations must practically double. To double the importations means to correspondingly curtail domestic production, which means diminished employment and diminished capacity for consumption by our people.

XIII. There can be no doubt that the total duties collected under this schedule will be greater in amount with a duty at 50 per cent than would be the case under any lower rate of duty. If the purpose is to fix a duty at the greatest revenue-producing point, this rate is absolutely defensible on that ground alone. An even higher rate of duty, say 60 per cent, would produce a still greater revenue; for it would not reduce the volume of these goods imported.

XIV. Fifty per cent ad valorem, under the changed conditions of to-day, is not a higher duty than was 25 per cent in 1867.

This is due chiefly to the extraordinary fall in values which has taken place.

The decrease in the unit of value, on the imports of cloths, as shown by the Treasury reports, was from $1.243 in 1883 to 95 cents in 1890. Changes in classification render it impossible to carry this comparison farther back. If that could be done the effect of this decrease in the unit of value could be much more effectively shown.

This decline in value resulted in a decrease of duty between 1883 and 1890, on the basis of 50 per cent, of 14.65 cents a pound, or a reduction of 23.6 per cent in the net production which that rate of duty accords to the manufacturer. The fall in values prior to 1883 was even greater than it has since been.

XV. This result has been further accentuated by an enormous evolution in commercial facilities, which have reduced the cost, minimized the risk, and facilitated the transactions of foreign trade.

XVI. This great fall in values has been due to the decline in the value of the raw materials consumed. There has been progressing at the same time a constant increase in the rates of wages paid. The increased efficiency of machinery has been a partial offset to this increase in wages; but it has hardly kept pace with it. The manufacturing cost of goods is as high to-day as in 1867, and the percentage of labor cost to the total cost of manufacture is higher at present than ever before in this country. The fall in values has therefore been accompanied by an increase in the percentage of domestic labor cost. This is because the actual costs of labor and general expense remain practically constant, but with every decline in the cost of wool their relative costs increase, when compared with the total cost.

It therefore follows that at 50 per cent duty to-day will be the lowest rate of duty, in its practical effect, ever imposed upon woolen goods in this country, and the closest approach to a revenue tariff, under the changed conditions, we have ever had.

XVII. We ask attention in this connection to the fact that this duty is levied upon the foreign value. A duty of 50 per cent upon the foreign value of goods is equivalent to but 33 per cent upon the duty-paid or home market value.

XVIII. A duty of 50 per cent ad valorem is equivalent in practical operation to not more than 40 per cent, in many cases to even less, because of the systematic undervaluations which the ad valorem system invites and encourages. The practice of importing woolen goods by the method of consignment, thus avoiding any record of foreign values growing out of a bona fide transaction upon which to base a duty, has become so nearly universal that the objection to an ad valorem duty is irradicable and insurmountable, except by the method of home valuation, which is the only method by which ad valorem duties can be assessed without constant loss to the Government revenues and perpetual injury to honest importers and domestic manufacturers.

XIX. The woolen manufacturers are most reluctant to see the abandonment of the specific form of duty. They think they are fairly entitled to a higher ad valorem rate than might otherwise be placed upon woolen goods, because the contemplated change proposes the sudden removal of all the safeguards which specific duties carry, which have been of such vital importance in the past.

XX. The abandonment of these safeguards will render the maintenance of the existing customs administrative law of vital importance to the American wool manufacturers. While undervaluations continue since the present system went into effect, we believe they have been somewhat restricted, and that the evil would be enormously increased if this system should be materially modified.

XXI. In lieu of specific duties we ask that this suggested duty of 50 per cent ad valorem shall be made uniform upon all classes and grades of woolen goods and carpets.

Differing rates of ad valorem duties, based upon the value of the goods are more dangerous when unaccompanied by specific duties.

The removal of specific duties will destroy the only valid argument in favor of dividing lines of value, viz, that they were needed to avoid the heaviest taxes upon the cheapest cloths.

A uniform ad valorem duty on all classes and descriptions of woolen goods is perfectly just, because an ad valorem duty is a duty based upon prices. The cheaper the goods the less the duty. These fences are not necessary, therefore, to make "lower taxes upon the poor man's clothing." On the other hand, they invite and stimulate undervaluation, and are a constant and pestiferous source of fraud at the custom-house. They not only put a premium upon fraud, but they complicate the administration of the tariff and render its application uncertain and uneven.

XXII. There are reasons why woolen goods should be subject to the highest rates of duty anywhere admitted into the new tariff:

a. These are the goods against which foreign competition has always been severest and most difficult to overcome. The wool manufacture abroad has reached the highest state of perfection. It is the one textile manufacture in which it has not been possible as yet for Yankee ingenuity to excel the products of countries which have been engaged for centuries in developing the industry.

b. It is the one textile industry in which styles change most radically and frequently. These constant changes of fashion impose conditions which are the more onerous from the fact that all fashions in woolen goods are set abroad, and must be imitated here.

c. Hence it happens that whatever the rate of duty may be, the volume of imports, in certain lines of woolen goods, continues to steadily increase. This fact is the conclusive evidence that the existing rates of duty are not too high, even for a purely revenue tariff.

XXIII. Wages in American woolen and worsted mills are on the average, taking the entire equipment of a mill into account, 100 per cent higher than in a corresponding mill of the same capacity and producing the same goods in Great Britain. But it is not alone on account of this great difference in wages that the countervailing duty is required to preserve the industry. The same or a greater degree of disparity also exists (2) in the cost of administration, including management, superintendence, and selling expenses; (3) in the cost of capital; (4) in the incidental expenses, such as taxation; (5) in mill plant, equipment, machinery, and repairs; (6) in mill supplies, the cost of which is enhanced by duties; (7) in partly manufactured supplies, such as yarns, the relations of the cost of which to the total cost of production are affected by the duty thereon, just as the cost of machinery is affected by the duty on the same.

The principle of the compensatory duty, as applied to wool, applies also to the yarn duty, and must be accepted as an element in creating the necessity for the higher rate upon the finished fabrics which we suggest.

XXIV. At the same time we insist that there can justly be no discrimination shown in favor of the importation of partially manufactured products. It is just as important that we shall manufacture our own yarns, from the wool up, in the United States, as that we shall weave our own cloths. The proposed relationship between the duties on yarns and fabrics is based upon the practical experience of manufacturers.

XXV. A sharp transition from dutiable wool to free wool will involve a shrinkage in the value of all stock on hand or in process, and all manufactured goods. To guard against this contingency it is necessary that a long interval shall elapse, after the removal of the wool duty, before the present specific duties on goods are removed or reduced.

Wool manufacturers are compelled to buy their wool a year in advance of the market for the manufactured goods. If goods now made from wool which has paid duty or been enhanced in price by the duty are brought into competition with goods made at the same time across the water of free wool, they must be sacrificed for less than cost. All imported goods, which have paid full duties, would shrink in value in the same manner, and the interval asked is equally necessary to the importer and the manufacturer. This interval should not be less than six months, and can more safely be made a year.

XXVI. It is most important that, in revising the tariff, only such changes shall be made in the established phraseology of the law as are absolutely necessary. This

phraseology has been tested by experience, has been construed by the courts, and has its legal and definite meaning. The meaning of new language in a tariff is never certain until the courts construe it, and is often very different from the intent.

Respectfully submitted, in behalf of the executive committee of the National Association of Wool Manufacturers.

RUFUS S. FRYER,
President.

S. N. D. NORTH,
Secretary.

WASHINGTON, *September 12, 1893.*

Now, Mr. Chairman and gentlemen of the Committee, I ought to say after closing the brief that the suggestions this contains, while they represent the action of the National Association of Wool Manufacturers, at the same time are not satisfactory to many of the members of that association. Many of the members of that association believe that the suggested rate of duty, namely, with free wool, 50 per cent ad valorem, will be such that they can not continue the manufacture of good which they are now making and therefore it is only fair to those manufacturers that I should state in conclusion that that is their position; and I should ask the privilege of filing certain letters which they have written, as part of this statement, in which they make that assertion.

The CHAIRMAN. What would be the chief disparity between the foreign and home manufacturer if each purchases his wo

Mr. NORTH. Mr. Chairman, if you will allow me, n shirk any ordeal which you might desire to subject m to say before I answer any questions at all, that the this room quite a number of practical manufacturer am not either a practical manufacturer of wool or a an expert in either, and I think if what you want is to your questions, that it would be much wiser if yo your questions to these practical manufacturers rathe

The CHAIRMAN. That is right, sir.

Mr. BRECKINRIDGE. Was the paper which you hav of your own preparation?

Mr. NORTH. It is; yes, sir; with the assistance and tical manufacturers.

Mr. TARSNEY. What is your business?

Mr. NORTH. I am secretary of this association c turers.

Mr. BRECKINRIDGE. These are your views and regard to this?

Mr. NORTH. I have no reason to doubt that there in that brief which is not absolutely true.

Mr. BRECKINRIDGE. I did not know but what you delegated to bring the paper before us as secretary o and it was prepared by others, or whether you were paper and expressed your own opinion?

Mr. NORTH. I cannot claim to be the author of th only claim in regard to it that I am the amanuensis t manufacturers have expressed their views in this pap

Mr. BRECKINRIDGE. Is your name signed to it?

Mr. NORTH. It is, as secretary. At the same time I to think I am not in entire sympathy with what is st

Mr. BRECKINRIDGE. It is a consensus of opinion, vidual brief?

Mr. NORTH. Yes, sir, exactly; and I am glad you to that fact.

Mr. TURNER. How long have you been acting as secretary of this association?

Mr. NORTH. About five years.

Mr. TURNER. Have you had any experience in this business in any branch of it before you were called to this position?

Mr. NORTH. I had not; none whatever, sir.

Mr. TURNER. Whatever knowledge you have acquired on the subject has been acquired ——

Mr. NORTH. During that five years; yes, sir.

Mr. TURNER. Have you occupied any relation to this business in any other respect as an expert or otherwise?

Mr. NORTH. I have, sir.

Mr. TURNER. What position was that?

Mr. NORTH. As special agent of the United States census, to take the statistics of wool manufactures.

Mr. TURNER. Under the last census?

Mr. NORTH. Under the eleventh census.

Mr. TURNER. You are familiar with all the statistics concerning this industry, I presume.

Mr. NORTH. Well, no, sir; I can not say I am; there are so many statistics that——

Mr. TURNER. You made some compilations of statistics, then?

Mr. NORTH. I have, sir.

Mr. TURNER. They are reliable?

Mr. NORTH. I think they are, sir.

Mr. TURNER. You would not dispute the value of that work?

Mr. NORTH. Not at all, sir.

Mr. TURNER. Well, with your study of the subject as an expert in that field, what did you discover as to the use of shoddy in the woolen industries for recent years?

Mr. NORTH. You mean as to statistics?

Mr. TURNER. I mean the increased use of adulterants in woolen goods.

Mr. NORTH. Well, I think I discovered that the——

Mr. TURNER. I do not expect you to give the exact figures.

Mr. NORTH. I think I discovered the relative increase in the use of shoddy was about the same as the use of all other materials in that or other textile products.

Mr. TURNER. I do not mean to refer to shoddy alone, but I mean all adulterants, cotton, and other things which are used in the manufacture of woolen goods, now.

Mr. NORTH. I think that statement I made in regard to shoddy will apply generally to so-called adulterants, although it is not true that the use of cotton is necessarily an adulteration.

Mr. TURNER. Has there been an increased use of these mixtures?

Mr. NORTH. About the normal proportionate increased use of these various mixtures, undoubtedly.

Mr. TURNER. Does not the effect of a duty on an article augment the use of a substitute always?

Mr. NORTH. Well, I can not really answer——

Mr. TURNER. Well, reasoning from long experience, or in any way you please, would not you think putting a tax upon an article would induce people to resort to inventing substitutes for it?

Mr. NORTH. I think, sir, that the development of the use of shoddy is a perfectly natural result of the progress of civilization, and of the utilization of by-products, and I think that the development of the

so-called shoddy industry has been no greater than the utilization of the by-products of almost any other industry in which they can be utilized.

Mr. TURNER. You think it is evidence of general progress rather than the effect of a protective duty on wool?

Mr. NORTH. I think that anything which tends to utilize that which was once wasted is a distinct advance.

Mr. TURNER. You did not answer my question; however, you are arguing it plausibly, but I asked you whether the duty on a given article does not tend to increase the use of a substitute for that article?

Mr. NORTH. With reference to shoddy particularly?

Mr. TURNER. Yes, that is immediate.

Mr. NORTH. I do not think that the duty on wool has tended to increase the use of shoddy in this country.

Mr. TURNER. Or other adulterants?

Mr. NORTH. Or other adulterants; I think I am justified in saying that——

Mr. TURNER. Including cotton?

Mr. NORTH. Yes, including cotton. I think I am justified in saying that by the fact that the use of the shoddy has not increased in this country with anything like the rapidity it has where it is free of duty as well as wool, and that is the way I answer your question.

The CHAIRMAN. Did not the high duty upon shoddy in the bill lead to an increased use of cotton in this country?

Mr. NORTH. Not to my knowledge. I have not the information to give you on that subject, because I do not know.

Mr. TURNER. I understood you to answer that question in a general way just now. Do you happen to know of an institution in the State of Pennsylvania known as the Wharton School of Finance and Economy?

Mr. NORTH. I do.

Mr. TURNER. By the way, what Mr. Wharton is it who gives his name to that institution?

Mr. NORTH. I am not certain, but I think it is the gentleman who addressed the Ways and Means Committee yesterday. I think so, but these gentlemen from Philadelphia will answer the question.

A BYSTANDER. Yes, sir; it was Mr. Joseph Wharton.

Mr. TURNER. A very intelligent gentleman. That is a school that may be said to have been founded to advance the opinion that is usually represented in the policy of protection; he would not have founded any other institution.

Mr. NORTH. I should think likely not.

Mr. TURNER. Do you know Mr. William Draper Lewis, a fellow of the Wharton School of Finance and Economy?

Mr. NORTH. I never met Mr. Lewis, but I have had some correspondence with him.

Mr. TURNER. He is a gentleman learned in all these subjects, is he not?

Mr. NORTH. No, sir; I do not think he is. I do not think he claims he is learned in these subjects.

Mr. TURNER. Has not he written a book on this subject as a fellow of that school?

Mr. NORTH. Yes, sir.

Mr. TURNER. You differ with him?

Mr. NORTH. Oh, in some respects, but that was a school boy performance. He was a student of the school at the time he wrote it and

it was one of his themes as a school exercise, and I do not think it would be quite the thing to quote the author.

Mr. REED. He ought not to be charged with it at this day?

Mr. NORTH. No, sir.

Mr. TURNER. There is, then, within the school of protection occasionally a little freedom of opinion?

Mr. NORTH. I am not a graduate of the school.

Mr. TURNER. You have had a tutelage of five years?

Mr. NORTH. I do not know anything about the school, except what I have read in the catalogue.

Mr. TURNER. Do you know who was the secretary of the Wool Manufacturers' Association about the year 1890?

Mr. NORTH. I do.

Mr. TURNER. Who was he?

Mr. NORTH. He stands before you, sir.

Mr. TURNER. Would you believe something that the secretary of the Wool Association said about that time?

Mr. NORTH. I should try pretty hard.

Mr. TURNER. We will pass from Mr. Lewis, whom you rather pronounced a boy in this business——

Mr. NORTH. I gave no judgment upon him.

Mr. TURNER. And coming to the secretary of the Wool Manufacturers' Association, who is undoubtedly a graduate of this business, I want to read the following statement of this book of Mr. Lewis, which I suppose he would not insert if it was not true, and you can correct it if he is to blame for it. I read from page 44 of the book called "Our sheep and the tariff:" "The secretary of the Wool Manufacturers' Association estimates that there is now 1 pound of cotton and shoddy used in so-called woolen goods for every pound of wool." Is that correct?

Mr. NORTH. I think that is pretty nearly correct, sir.

Mr. TURNER. I will try you again with the census. "In the census of 1880 this is what it says, the proportion was 1 pound of cotton and shoddy to 4 pounds of wool."

Mr. NORTH. Who says that?

Mr. TURNER. That is his deduction from the census of 1880?

Mr. NORTH. I am not responsible for that, sir?

Mr. TURNER. But you have been in the census and you might correct that if it is wrong.

Mr. NORTH. I think it is wrong, sir.

Mr. TURNER. What was the proportion?

Mr. NORTH. I never figured it out.

Mr. TURNER. Then you do not know.

Mr. NORTH. No; but I believe that my previous answer to your question was that the relative increase in these articles have been about a normal increase in the use of these various articles.

Mr. TURNER. If you are correct in your estimates that there is 1 pound of cotton and shoddy to 1 pound of wool in the figures which you have made——

Mr. NORTH. Clean wool.

Mr. TURNER. Yes; and if the census of 1880, to which we can refer later, shows that there was then 1 pound of shoddy to 4 pounds of wool then there has been a very large increase of adulterants, what I call adulterants, in the manufacture of woolen goods?

Mr. NORTH. Well, I do not think that it necessarily follows.

Mr. TURNER. Well, I confess I would like to have you show it would not follow.

Mr. NORTH. Well, I have good reason to believ
Mr. TURNER. I said assuming those premises t
Mr. NORTH. Oh, I beg your pardon.
Mr. TURNER. It is assuming that.
Mr. NORTH. I did not understand that. I beg going to tell you why I did not assume the figure is all. I do not care to go into it, sir.
Mr. TURNER. That is, of course, at your pleas retary of the Wool Manufacturers' Association is have no doubt he is, and if the census of 1880 is not myself give personal experience for I have n use of cotton and shoddy has been multiplied v period to another.
Mr. NORTH. Well, I do not know that the state is a correct transcript from the census of 1880.
Mr. TURNER. I disclaim any opinion as to th say is, assuming that his statement is correct, as admit there has been a large increase of the use in the manufacture of woolen goods?
Mr. NORTH. Not relatively, but there has been use of materials, and the use of cotton and shodd use of the others.
Mr. TURNER. That is a relative statement?
Mr. NORTH. I beg your pardon, but that was n
Mr. REED. He wants you to make a mathemati an admission of opinion.
Mr. TURNER. What is that?
Mr. REED. What you ask is for him to make a sion and not an admission of opinion. He has He thinks you are asking for his opinion, where question of mathematics.
Mr. TURNER. That is it; I am glad of the assi man from Maine. That is a correct position, I o matical opinion.
Mr. REED. His mind is struggling with the mis him to assume it as a fact, and then entangle him
Mr. TURNER. I am only endeavoring to entang ment of his own. The gentleman from Maine is is one of his chief charms.
Mr. REED. I endeavor to reciprocate on this oc
Mr. TURNER. In regard to this work I think it to state he is an earnest devotee of the policy of
Mr. NORTH. Yes, sir; there is no doubt about t and devoted a good deal of time to it.
Mr. TURNER. I have no desire to bring any dis his associates.
Mr. DALZELL. What is the date of that?
Mr. TURNER. Eighteen hundred and ninety; th but the copyright seems to be 1891.

BOSTON, MASS.,

DEAR SIR: Mindful of your permission to file regarding the tariff on woolen and worsted goods attention of the Ways and Means Committee to t goods which I enclose, as an illustration of the d tic manufacturer of the cheaper grade of woole

volved in the abolition of the existing specific duties on these goods, comprising a very large proportion of the total product of the domestic industry.

Sample 1, enclosed, is a beaver cloth, made in Bradford, England, 50 inches wide, weighing 26 ounces to the yard, and selling in England for 62 cents a yard, which is equivalent to 38.16 cents a pound. It is a cotton warp fabric, of which the filling is entirely of shoddy or mungo; and it is a good specimen of a class of goods in the manufacture of which the English beat the world. It is handsome and sightly in finish, and fine in feel, and presents a much better appearance than Sample No. 2, enclosed, which is a piece of American-made goods, as nearly corresponding in its characteristics to the English sample as I have been able to find. The two samples would compete for the same market in the United States, were it not for the fact that the English goods, being very heavy, are now excluded by the weight or specific duty. Shut out from this market these and similar English goods are sold in immense quantities in Turkey, Russia, and like countries. No home-made goods are able to compete with them in these countries.

By carefully comparing the goods, you will find that the English sample, notwithstanding its superior appearance, has no tensile strength. The filling yarn is tender, and you can push a finger through the cloth with ease. The American cloth, while of substantially the same construction, contains a considerable modicum of wool to carry the shoddy, and if not so sightly, is a far more durable and serviceable cloth, as are all American cloths of this grade.

The effect of the proposed removal of the existing specific or pound duties upon the manufacture of these cloths in the United States, is very clearly shown in the accompanying exhibit or analysis of comparative prices. The American cloth, which is 4 inches wider than the English cloth, is sold, on a very close margin, for $1.35, less trade discounts, equal to 17 per cent, which make its actual selling price 89.60 cents a pound, as against the actual selling price of the competing English fabric of 38.16 cents a pound. The present duty on the English goods is 38.5 cents per pound, and 40 per cent ad valorem, which makes its duty paid price in the United States 91.92 cents. The price of the American goods is, therefore, 2.32 cents a pound under the duty-paid cost of the English goods, and the domestic manufacturer is able, therefore, to hold the market.

Now, consider the effect of removing the pound duty and subjecting these goods to a 50 per cent advalorem duty, which has been named by the National Association of Wool Manufacturers as the lowest uniform ad valorem duty which is compatible with safety to the American industry. A duty of 50 per cent levied upon the foreign value of the English goods would equal 19.08 cents a pound; so that the total cost, duty paid, in the United State, of the English goods would be 57.24 cents a pound, or 32.36 cents less than the selling price of the American goods.

Free wool will not materially reduce the cost of the raw materials consumed in the making of this American cloth. If it is to continue to be made, under an ad volorum duty of 50 per cent, practically all of this difference of 32⅓ cents a pound must be made up by a reduction in the present labor cost of manufacture, and it is clear that this reduction must be very large. You will readily see from these figures, where the domestic manufacture of these goods will land if, in addition to the

removal of the specific duties, it should be proposed to reduce the ad valorem duty below 50 per cent.

I burden you with these details, in order that you may realize the full force of the statement made by the National Association, that the effect of the proposed removal of the specific duties on woolen goods will be most disastrous to the cheaper grades of these goods. There is danger that it may, for a time at least, obliterate the industry altogether. This bearing of the revision proposed appears to have been entirely overlooked by the framers of the Mill's bill of 1888, and the Springer bill of 1892. My object in writing this letter is to make sure that it shall not be overlooked by the present Ways and Means Committee.

The report of the United States Revenue Commission for 1865, 1866, upon which the wool and woolens tariff of 1867 was based, contains a full statement of the importance of the specific duty, in respect to this class of goods, and of the reasons why it was necessary to consider something else besides compensation for the wool duty, in fixing these specific rates on low grade goods. These reasons have been greatly intensified by the mechanical and other changes of the last 25 years; and the perusal of that portion of the report referred to will convince you of the grave responsibility which rests upon those who may propose to subject this branch of the wool manufacture to so radical a change of economic conditions.

The English are enabled to manufacture this class of goods so much more cheaply than our own people, not alone nor chiefly because of their lower wages, but because of peculiarities in their machinery, especially devised for this purpose. By means of two cylinders especially constructed for this purpose they can secure the same output that we get from our machinery, while running more slowly. This enables them to handle the stock more gently, with a corresponding economy of waste. They can thus make use of material so cheap and so poor that American machinery can not work it. In time, after a complete change of output, we might learn to compete with them in the use of this class of materials, if our wages should fall in the meantime to their level; but it would take a long time at the best, and involve an immense loss of invested capital. And at the end, the most we would be able to say would be that we had succeeded in deteriorating our manufacture of the cheap grades of goods down to the level to which England has brought them in her eagerness to get and keep possession of the markets of semi-civilized countries.

Very respectfully,

S. N. D. NORTH,
Secretary.

EXHIBIT A.

Cost of one sample of English cloth and one sample of American cloth, with comparative cost of same per pound in United States under present rates of duty and under a duty of 50 per cent ad valorem.

	Cost per yard.	Width.	Weight per yard.
		Inches.	*Ounces.*
No. 1, English	$0.62	50	26
No. 2, American ($1.35), less 17 per cent for commission, etc. (22 cents)	1.12	54	20

Cost of same per pound:

	Cents.	Cents.
No. 1, English, 26 ounces	62 =	38.16 for 16 ounces.
No. 2, American, 20 ounces	112 =	89.60 for 16 ounces.

Cost, duty added, under present law. Duty 38.5 cents per pound and 40 per cent ad valorem:

		Cents.
No. 1, English (1 pound)		38.16
Duty (1 pound)	38.50	
Duty (40 per cent on 38.16 cents)	15.26	
		53.76
Duty (paid value)		91.92
Cost of No. 2, American		89.60

Cost under duty of 50 per cent ad valorem:

No. 1, English (1 pound)	38.16
Duty (50 per cent)	19.08
Duty (paid value)	57.24
Additional duty required to equalize costs	32.36
	89.60
Cost of No. 2, American	89.60

BOSTON, MASS., *September 23, 1893.*

DEAR SIR: I inclose herewith, for publication with the other testimony on the proposed revision of the tariff, an exhibit, based upon the importations of woolen goods entered for consumption in the fiscal year ending June 30, 1892, which shows the present average ad valorem rate of duty as calculated by the Treasury Department, Bureau of Statistics, upon each class and description of woolen goods; and also shows what the percentage of reduction in this duty will be, on a basis of free wool, if the ad valorem rate of duty is made uniform at 50 per cent, as suggested by the National Association of Wool Manufacturers. The calculation presupposes a duty of 40 per cent ad valorem upon yarns, and of 60 per cent on clothing and wearing apparel, as the logical accompaniments of a 50 per cent duty on cloths.

A third column in the exhibit shows what will be the actual amount of the reduction in the duty collected at the suggested rate, provided the importations continue as in 1892. The total amount of this reduction will be $16,127,504.19; the amount collected in the year 1892, exclusive of the wool duties and the duties on rags, shoddy, noils, etc., having been $34,232,252.07. The suggested duty therefore involves a reduction of 47.1 per cent in the revenue from woolen goods.

This exhibit fully bears out the statement made by the National Association in the brief submitted to your committee on September 12, that the average reduction in the existing duty on woolen goods will be about 50 per cent on this plan. The reduction is not uniform in the nature of things; but it will be observed that it bears heaviest upon the most important groups of imports. Thus, upon woolen and worsted cloths (paragraph 392 of the present law) the reduction of duty is 48½ per cent upon the fine goods, 64.7 per cent upon the second grade in the tariff classification, and 69.1 per cent upon the third or cheapest grade of cloths. In the group of dress goods, where the importations are larger in quantity and value than in any other group, the reduction

Exhibit showing the present average ad valorem duty on woolen goods, and the percentage of reduction in this duty on the basis of free wool and 50 per cent ad valorem. Also the total reduction in duties.

[Based upon the imports entered for consumption in the fiscal year ending June 30, 1892.]

Articles.	Value per unit of quantity.	Average ad valorem rate of duty on importations for fiscal year 1892.	Percentage of reduction of duty from existing law at proposed rate of 40 per cent ad valorem.	Reduction in amount of duty at 40 per cent ad valorem.
Woolen and worsted yarns.		*Per cent.*	*Per cent.*	
Valued at not more than 30 cents per pound	$0.28	133.16	70	$14.02
Valued at above 30 cents, but not over 40 cents per pound	.387	120.20	66.7	38,977.46
Valued at above 40 cents per pound	.621	102.04	60.8	410,647.05
Total yarns	.596	103.28	61.2	449,638.55
			Percentage of reduction of duty from existing law at proposed rate of 50 per cent ad valorem.	Reduction in amount of duty at 50 per cent ad valorem.
Blankets.				
Valued at not more than 30 cents per pound	0.288	87.24	42.7	252.17
Valued at above 30 cents, and not more than 40 cents per pound	.357	96.69	48.3	246.51
Valued at above 40 cents, and not more than 50 cents per pound	.476	104.36	52.9	188.91
Valued at more than 50 cents per pound	1.018	77.81	35.7	1,218.14
Total blankets	.670	82.12	39.1	1,905.73
Carpets.				
Aubusson, Axminister, Moquettes, etc., per square yard	3.069	59.55	16	103,056.68
Brussels.....per square yard	1.076	80.89	38.2	24,153.75
Druggets and bockings .....do	.491	84.79	41	696.49
Felt carpetings.....do	.514	61.30	18.5	424.59
Saxon, Wilton, and Tourney Velvets.....do	2.019	69.72	28.3	18,999.12
Tapestry Brussels.....do	.773	76.22	34.4	1,448.91
Treble ingrain, three-ply, etc.....do	.775	64.52	22.6	3,966.58
Velvet and tapestry velvet.....do	1.176	74	32.5	7,061.00
Wool, Dutch, and two-ply ingrain .....do	.565	64.78	22.8	3,208.68
Carpets not specially provided for.....do	.871	50	.....	.....
Total carpets	.....	61.84	19.1	163,015.80
Cloths.				
Valued at not more than 30 cents per pound	.270	162.04	69.1	10,277.88
Valued at above 30 cents and not more than 40 cents per pound	.378	141.79	64.7	80,492.53
Valued at above 40 cents per pound	.931	97.27	48.5	5,975,890.28
Total cloths	.920	97.62	48.8	6,066,666.69
Dress goods, etc.—Cotton warps, etc.				
Valued at not more than 15 cents per square yard	.133	92.58	46	782,226.95
Valued at more than 15 cents per square yard	.205	89.09	43.9	482,379.25
Weighing over 4 ounces per square yard, per pound	1.023	93.03	46.3	2,184,887.03
Dress goods, all wool, etc., weighing over 4 ounces per square yard.....per pound	1.258	84.98	41.2	88,254.66
All others .....per square yard	.214	105.96	52.8	4,605,310.56
Total dress goods	.....	98.96	49.5	8,143,058.45
Flannels for underwear.				
Valued at not more than 30 cents per pound	.212	107.97	53.7	16.81
Valued at more than 30 cents and not over 40 cents per pound	.346	98.49	49.2	252.17
Valued at more than 40 cents and not over 50 cents per pound	.490	102.37	51.1	256.33
Weighing over 4 ounces per square yard, per pound	1.011	93.54	46.5	37,123.90
Total flannels	.992	93.62	46.6	37,649.21

Exhibit showing the present ad valorem duty on woolen goods, etc.—**Continued.**

Articles.	Value per unit of quantity.
Hats of wool.	
Valued at not more than 30 cents per pound	$0.260
Valued at above 30 cents and not more than 40 cents per pound	.343
Valued at above 40 cents and not more than 50 cents per pound	.470
Valued at above 50 cents per pound	.965
Total hats	.862

RESOLUTIONS OF THE NATIONAL ASSOCIATION OF WOOL MANUFACTURERS, ADOPTED JANUARY 12, 1893.

Whereas it has been the policy of the National Association of Wool Manufacturers, since its organization in 1864, believing in the principle of protection uniformly applied, to accept the judgment of Congress in determining rates of duty on wool, provided they were accompanied by the necessary compensatory duties on woolen goods; and whereas it is now proposed to repeal the wool duties: Therefore,

(1) *Resolved*, That the wool manufacturers nevertheless desire to again place upon record their belief that the existing tariff has proved advantageous to the wool-grower, the wool manufacturer, and the consumer of woolen goods. The proposed economic change is not in response to any demand from the industry we represent, 80 per centum of the machinery of the country having joined in protesting against the passage of the free-wool bill now pending in Congress, which protest is hereby reaffirmed.

(2) The wool manufacture, organized and conducted for more than thirty years on the basis of a duty on its raw material, can not easily or quickly adjust itself to so radical a change of condition, and the utmost care should be taken, if such a measure is to be enacted, to so adjust its terms and parts that the industry will not be suddenly and violently forced into a position that will carry general disaster to those engaged in it, and to every merchant and shopkeeper handling their goods. We trust that no Congress elected by the people and responsible to them will hastily or carelessly enact a law imperiling the $300,000,000 of capital invested in the wool manufacture.

(3) In this belief we invite the attention of Congress to the fact that woolen goods are manufactured nearly a year in advance of the season for whose wear they are adapted, and that, in consequence, any law simultaneously removing the duty on wool and the compensatory duty on goods will compel the whole domestic production of a season, manufactured from duty-paid wool, to compete in the markets with foreign goods manufactured from free wool. The so-called Springer bill doubly discriminates against the domestic manufacture, in this respect, by admitting at reduced rates, simultaneously with the repeal of the wool duties, all foreign goods imported prior to its passage and held in bond. It would thus force the domestic product into direct competition with foreign goods manufactured from free wool. The inevitable consequence of such discrimination would be the loss of a whole season's production, which would involve the ruin of many mills and of many industries dependent upon them. A year should elapse after the wool duties disappear before the compensatory duties are repealed.

(4) Believing the industrial welfare of the nation requires that the manufacture of wool shall be continued and developed in this country, we ask at the hands of Congress the most careful examination of all the conditions surrounding the industry in this and other countries, to the end that duties may be adjusted at a point that will equalize the difference existing in the cost of manufacture here and abroad, both in respect to wages and the cost of capital, machinery, and plant.

(5) Experience has shown that simple ad valorem duties are invariably accompanied by systematic undervaluations, equally disastrous to the manufacturer and the honest importer; that the Government can not collect all that is its due under the ad valorem system, and that the danger of undervaluation is greater in woolen goods than in any other class of merchandise. We therefore urge upon Congress the importance of retaining the specific form of duty, or some part of it, in this schedule, in accordance with the recommendation of the late Secretary Manning.

(6) We protest against any method of tariff revision which singles out a particular industry, like the wool manufacture, for reductions of duty which are not applied impartially and simultaneously to all other industries. The machinery, dyestuffs, and countless supplies necessary to the wool manufacture are all dutiable by the present law, and a reduction of the tariff on woolen goods and not on these necessary accessories would place the industry at a disadvantage under which its prostration would be complete.

(7) The customs administrative act of 1890 has provided for the first time in our history a uniform, impartial, and effective administration of the tariff laws, with an export tribunal for the determination of disputed rates and classifications, such as is necessary under any tariff law, for the honest collection of the duties imposed by that law. We strongly urge the retention of this law in substantially its present form, as a law equally in the interest of the Government, the manufacturer, and the honest importer.

(8) *Resolved*, That the wool manufacture, standing fourth in importance among all our industries, consuming annually a volume of raw material almost equal to that consumed in Great Britain, employing a quarter of a million persons, to whom are paid $80,000,000 in wages, and supplying all but about 10 per centum of the clothing of our people, is an industry which has vindicated its right to exist in the United States, and has approved itself to the friendly and considerate treatment which we ask at the hands of Congress.

They were $15,000,000 in excess of 1885, and they were $10,000,000 in excess of 1886. The years 1890 and 1891 ought to be practically eliminated from the consideration of this subject from the fact there were excessive importations in those years in expectation of the new law going into effect.

Now, gentlemen, the amount of revenue last year on wool and manufactures of wool was $42,000,000. Of this amount $34,000,000 was collected on goods and about $8,000,000 collected on wool. The abolition of the duty on wool and the corresponding or compensating duty on goods would diminish the revenue on the same basis of importation as 1892, $16,500,000 on manufactures and $7,750,000 on wool, making the total loss of revenue $24,000,000. Now, I propose to try to refute the theory that that loss of revenue can be made up by any lower rate of duty. The amount of importation at 50 per cent ad valorem required to give the same revenue which was realized last year would be $84,000,000 foreign value. This would mean an increase of importation over last year of $48,000,000, and that would mean an increase of importations duty-paid value of $72,000,000. If the ad valorem rate of duty should be fixed at 40 per cent it would require an importation of $105,000,000 to give the same amount of duty which was realized last year, an increase in the importations foreign value of $70,000,000 and a duty-paid value of $98,000,000. If at 25 per cent ad valorem it would involve the importation of $168,000,000, an increased importation of foreign value of $133,000,000, and an increased importation duty-paid value of $166,000,000. Now, gentlemen, it would be absolutely impossible to bring about any such increased importations as I have named under any conditions, in my judgment. You could not create a market here for that additional quantity of goods without diminishing the domestic production to an equivalent amount. You could not draw such supplies even at the lowest I have named from Europe without putting up prices in Europe. It would be absolutely impossible. It is a mistake to suppose you can manufacture a market at will or create production at will. You could put the whole continent of Europe to work and they could not make that amount of goods in excess of what they are making. It requires time and planning and an expenditure of money and a long preparation to increase productions to any great extent; and besides, gentlemen, there is another fact which bears upon all this. The volume of foreign importations depends wholly upon the prosperity of the country. There are manufacturers, I know, who think that the moment our imports of foreign goods increase that it is a calamity; but when these imports do increase it is a sure sign of national prosperity, because if they did not have the prosperity they would not have the power here—the power or ability to make these purchases. The income, gentlemen, that you will derive from woolen goods is not going to depend upon lowering the rates, because the higher the rates—as I have shown by the test of experience—the greater the revenue, but it is going to depend wholly upon establishing such conditions for this country as shall make it prosperous and enable the people to buy foreign goods, and upon these purchases depends your revenue. That is the only point, gentlemen, I wish to present for your consideration, which was not touched upon at all in the brief submitted by Mr. North.

The CHAIRMAN. As to your argument, that an increase of duty does not diminish importation, is not that the line of argument you began with?

Mr. WHITMAN. Does not diminish revenue?

The CHAIRMAN. You quoted the fact that an increased duty upon wool did not diminish the importation of wool?

Mr. WHITMAN. It increased both revenue and quantity of importations in those years.

The CHAIRMAN. Do you suppose that was the design of the committee in imposing an increased duty upon wool?

Mr. WHITMAN. I do not.

The CHAIRMAN. They thought it would check the importation of wool?

Mr. WHITMAN. That I do not know.

The CHAIRMAN. That is the general idea of a protective duty, to check the importation of the foreign article.

Mr. WHITMAN. I do not understand it so.

The CHAIRMAN. The committee which reported that bill gave that as their reason for increasing the duties—I had the sentence right before me, but I do not find it at this moment—in which they expressed that as their understanding of a protective tariff.

Mr. WHITMAN. What committee was that, sir?

The CHAIRMAN. The committee which framed the bill of 1890.

Mr. WHITMAN. I was not a member of that committee.

The CHAIRMAN. That was the object of the framers of the tariff law; so they differ with you on that question. I think you are perfectly right in saying that any very large increased demand from this country could not be supplied from abroad.

Mr. WHITMAN. Not immediately.

The CHAIRMAN. And the effect of it would be to raise prices abroad?

Mr. WHITMAN. I think any such demand would have that effect.

The CHAIRMAN. It would operate as a protection to the home producer also, would it not?

Mr. WHITMAN. It depends upon when the advance came in.

The CHAIRMAN. Any sudden advance coming in immediately at the very time it was needed?

Mr. WHITMAN. It would operate something like this. I want to be perfectly candid——

The CHAIRMAN. We know that.

Mr. WHITMAN. I do not wish you to think I am trying to evade any questions. I believe that large orders abroad to ship goods that came into competition with American goods would lead to a diminished demand for American productions, and that diminished demand for the American productions would operate unfavorably upon the manufacturers and the wage earners at the time.

The CHAIRMAN. Would there be increased orders placed abroad if there was a sudden rise in the prices of the foreign goods?

Mr. WHITMAN. There would not be until after the orders were placed.

The CHAIRMAN. Not until after the orders were placed?

Mr. WHITMAN. Not until after. The rise in prices does not take place until after there has been the extra demand.

The CHAIRMAN. Does not the increased demand begin at once to stimulate the price?

Mr. WHITMAN. It would not at once.

The CHAIRMAN. But as soon as orders begin to pour over there on the other side, would not prices go up?

Mr. WHITMAN. They probably would.

The CHAIRMAN. Because the mills there would not be able to fill those orders?

Mr. WHITMAN. Probably.

The CHAIRMAN. Now, is it not true that in the use of the necessaries of life, and other articles also, that as you cheapen the price you greatly enlarge the consumption?

Mr. WHITMAN. I think it is true as a rule that lower prices means increased consumption, but the proportion is quite small.

The CHAIRMAN. Do you know there was an increased consumption of sugar the year after raw sugar was put upon the free list?

Mr. WHITMAN. No; I did not.

The CHAIRMAN. It was about 13 pounds per capita in the country, if I am not mistaken.

Mr. WHITMAN. Do you mean the removal of the duty at the passage of the last act?

The CHAIRMAN. Yes; putting raw sugar upon the free list cheapened the price of sugar, and increased the consumption.

Mr. WHITMAN. That was not an increased duty, that was a removal of duty.

The CHAIRMAN. But it cheapened the price of sugar and led at once to a greatly increased consumption. Would you not anticipate the same result if woolen clothes were cheapened to the people?

Mr. WHITMAN. I think there might be a small increase of consumption.

The CHAIRMAN. Your argument was based upon the idea that the quantity consumed was remaining constant?

Mr. WHITMAN. No; I do not think so.

The CHAIRMAN. I so understood your argument, that any increased importation would be just so much work taken from the home producer?

Mr. WHITMAN. Please repeat that; I can not hear very well.

The CHAIRMAN. As I understand your argument, it was any large importation would be so much work taken from the home producer?

Mr. WHITMAN. Any very large increase, such increase as I have talked about. I do not mean to say that fluctuations of a few per cent one way or another would influence it very materially.

The CHAIRMAN. Might not it be true, however, that a sensible decrease in the cost of woolen clothes would lead to such a large increase of consumption that there might not only be large importations, but larger domestic productions?

Mr. WHITMAN. I do not think it would; I do not think that would follow to any great degree.

The CHAIRMAN. The duties upon woolen fabrics are compound; they are specific and ad valorem, and the specific duty is supposed to be compensatory for the duty upon wool, is it not?

Mr. WHITMAN. Yes.

The CHAIRMAN. Is there any compensatory duty in the ad valorem?

Mr. WHITMAN. Compensatory for what; I do not think I understand your question.

The CHAIRMAN. Well, probably the question does not explain itself. Is it not true that when these compound rates were adopted in 1867—was that the year——

Mr. WHITMAN. 1866.

The CHAIRMAN. That there was an internal-revenue tax upon woolen goods?

Mr. WHITMAN. I think there was.

The CHAIRMAN. And when these compound rates were adopted the

specific duty was made compensatory for the duty upon the wool and the ad valorem duty was increased to compensate for the excise tax?

Mr. WHITMAN. I could not answer that question because I was not in business so far back.

The CHAIRMAN. Then if it be true, as Mr. North says, that in 1890 a pound of cotton and shoddy was used for every pound of wool, if that be true, is not the manufacturer getting a compensation through his specific duty on cotton or shoddy, upon one of which he pays no tax and upon the other he has until recently paid not a very high tax?

Mr. WHITMAN. I do not know the proportion of cotton or shoddy that is mixed with wool in the manufacture, but in so far of course those things may be used in the manufacture of woolen goods there can be no question but what the specific duty affords an additional protection. There can be no doubt about that.

The CHAIRMAN. It increases the real protection over the specific and ad valorem duty?

Mr. WHITMAN. It does on those fabrics.

The CHAIRMAN. Now, I will ask a question to you as a practical manufacturer which I started to ask Mr. Clark, I believe, and that is, supposing the manufacturer here and abroad both have free wool and they stand upon an equal footing as far as that is concerned, what is the chief disparity or chief disadvantage under which the home manufacturer labors?

Mr. WHITMAN. The chief disadvantage is the difference in the price of labor; that is the greatest; that is the preponderance.

The CHAIRMAN. Can you tell the committee what is the difference in the labor cost in this country and in the countries with which we compete, not per diem, but in the unit of production?

Mr. WHITMAN. I could not answer that question.

The CHAIRMAN. Buying $100 worth of women's and children's dress goods which you manufacture, what would be the difference in labor cost in this country and the countries with which you compete?

Mr. WHITMAN. I can not answer that directly, but I will make this statement: I have studied statistics more or less all of my life, and I got very little satisfaction. I do not want this understood to be any reflection upon the gentleman who furnished them, but I wanted to know just what the specific difficulty I labored under as against Bradford, England, and Roubaix, France, so I took a young man who was a graduate of an institute of technology, an institution with which you all are familiar, and I sent him up to my mill. I refer to the mill I am treasurer of, and kept him there for six months studying our works, studying the wages we paid our people, and then I sent him to Europe with this commission, to find out exactly what the same kind of labor was paid in Bradford, in Roubaix, France, and in Belgium. I did not want to go into the general question of the difference between the labor in all percentages that labor cost bears on the total cost, but I wanted to know just exactly why I could not make goods just as cheaply as over there. I did not do it with the idea of presenting these facts to Congress. I did it to know, to get at the bottom facts, and I confined it to my own business because that was something I knew all about and the man whom I had educated knew all about. These facts you will find in his report. You will find it in the paper Mr. North has submitted to you and asked to be made a portion of your proceedings, entitled "The necessity, the efficacy, and the advantages of the duties on woolen goods," and it extends from page 44 to page 49. I know that report to be accurate, and it shows that the wages we pay in the city

of Lawrence were practically double those paid in England, and more than double those paid on the continent.

The CHAIRMAN. Now, do you refer to the per diem wages?

Mr. WHITMAN. I refer to the day earnings of the operatives.

The CHAIRMAN. That is not my question.

Mr. WHITMAN. One moment. Now, if the productive power of the operatives or machines was the same there as it is here, then it follows necessarily that my labor costs more than double the labor costs there. Now, we examined into that question. It is a mistake, gentlemen, to suppose there is a greater productive power in a man or machine here than there, and the machines particularly, that is, that there is any great difference. It is a mistake to think that there is a much greater productive power here than there. I was questioned very closely when I appeared before the Ways and Means Committee before on that point, and my impression is that it was by Mr. Breckinridge.

Mr. BRECKINRIDGE. I did not get much satisfaction out of you.

Mr. WHITMAN. I answered you very frankly.

Mr. BRECKINRIDGE. Yes, very politely and frankly.

Mr. WHITMAN. I am stating the facts about it. The machines run at just as high speed over there as here, the machinery is just as good, and produces probably as much per spindle, but I think, in fact, in England and Scotland they can produce more per spindle.

The CHAIRMAN. Is it not a fact both in the cotton and woolen industries that the disparity between skilled operatives in this country and England is much less than in a good many industries where we compete with them?

Mr. WHITMAN. I can not answer your question. Will you be kind enough to repeat the question?

The CHAIRMAN. The disparity between the cotton and woolen industry in wages in this country and England is much less than in a good many industries where we do actually compete with them, as, for instance, the making of agricultural implements, machinery, clocks, watches, and many things?

Mr. WHITMAN. I do not know about that. I do not think any special prominence in any one industry ought to be created.

Mr. REED. What was your question, in cases where we are in direct competition we give lower wages?

The CHAIRMAN. There is less difference between wages paid in the woolen and cotton manufacturing industries in this country and abroad than in many industries in this country and abroad where we compete with them in their own markets. Now, I find here in Mr. North's census report of 1890 the total product of woolen goods for the census year in this country was $338,000,000 worth, and the wages paid was $76,000,000. If I am correct, then about 23 per cent of the product was wages. I find now that last year the average ad valorem rate of duty on woolen manufactures imported into this country—I mean the year 1893—was 95, nearly 96 per cent. Would you consider that an excessive duty to compensate for the difference in wages between the two countries?

Mr. WHITMAN. The premises are all wrong; they are all wrong. Now let me explain, if you will. The 95 per cent of which you speak, one-half of it, as I have already stated to you in my earlier remarks, is duty on the wool.

The CHAIRMAN. That is correct; 44 per cent is the duty on wool.

Mr. WHITMAN. Now, the balance, somewhere about 48 to 50 per cent, is duty on the goods. Well, now, I claim first, and I will prove it to

any disinterested person, I am sure, that the relation of the labor cost to the total cost has nothing whatever to do with the amount of duty that ought to be imposed. In the first place these tables of the census are made up according to forms that have been in use for a great many years, and as is common of census reports of all industries, things are multiplied over and over as to value and not as to wages. Mr. North has informed me, and I think he has made the statement somewhere in his report, whether it has been published or not I do not know, but my impression is he has made the statement in his report modifying that to that extent. For instance, a man buys—but in regard to the labor cost of manufacture I will refer you to the same pamphlet to refute the point you have made, pages 25 to 44 inclusive. I will explain how it is done.

Mr. PAYNE. He wants you to state what this shows.

Mr. WHITMAN. For instance, a spinner of worsted yarns makes $100 worth of worsted and sells that $100 worth of worsted yarn to a weaver. It is returned as $100 worth of yarn from the spinner. When the weaver works that up, he returns it over again as a part of his product. That goes to a dyer and finisher and he returns it again as a part of his product, and so in all of these industries no matter which is taken, there is the same multiplication of products which makes the labor bear an unnatural proportion to the total cost. That you will find explained fully on pages 25 to 44 in answer to some speeches which were made in the House of Representatives during the passage of the House bill 6007.

Mr. BYNUM. These are totals——

Mr. WHITMAN. They are multiplied.

Mr. BYNUM. They can not be multiplied when the aggregate amount——

Mr. WHITMAN. They are multiplied in various ways, as I have indicated.

The CHAIRMAN. I presume Mr. North in making up these tables got from each factory the amount of the yearly pay roll and the value of the goods manufactured by it?

Mr. REED. Different factories make different articles.

Mr. NORTH. The total footing of the product represents the value of all yarn sold, which value is duplicated in value of all cloths sold without a duplication of the wages, and it is impossible to get a percentage of the labor cost from the census figures, both physically and mathematically impossible.

Mr. REED. I would like to ask a question to see if I understand this thing. A weaver buys $100 worth of yarn which has the labor of the yarn-maker in it?

Mr. WHITMAN. Yes, sir.

Mr. REED. His product when he gets through is worth, say $200, and that includes the yarn itself?

Mr. WHITMAN. Yes, sir.

Mr. REED. So that his product of $200 is added to the $100 of the yarn-maker, is it not?

Mr. WHITMAN. Yes, sir.

Mr. REED. Making $300 the total, whereas in reality the total is only $200?

Mr. WHITMAN. That is exactly the result.

Mr. REED. While at the same time the wages are not reproduced against it in the same fashion?

Mr. WHITMAN. No; that is the fact.

Mr. REED. Suppose there was another process besides making the cloth, making clothes for instance, and the total result of that product was $300 and that was returned at $300. You would have $300 and $200 and $100, which would give us $600. Of course the figures are entirely incorrect, but is not that the idea?

Mr. WHITMAN. That is correct.

Mr. TURNER. Is it possible that estimate of Mr. North is made on that basis?

Mr. WHITMAN. The census work has been done in that way for a great many years.

Mr. TURNER. I thought we had something like solid rock when we had Mr. North here.

Mr. WHITMAN. Mr. North, I suppose, did the work under special directions.

Mr. REED. I presume he took the forms as furnished to him. The census is taken by sending out circulars, I understand?

Mr. NORTH. Yes, sir; it has been always the case. Every one of the partially manufactured products in one line of industry is necessarily duplicated in the total product of that industry where it is sold as a separate article in the market. Gen. Walker in the Ninth and Tenth censuses has explained that very fully, and has stated the facts.

Mr. TURNER. Did you say in the case put by Mr. Reed that the labor cost would be repeated as many times as he stated?

Mr. NORTH. No.

Mr. TURNER. I mean cost of product as sent from one party to the other.

Mr. NORTH. I would say that the value of the yarn which is sold to the weaver is repeated in the returns of the weaver, plus the labor wages put upon it.

Mr. REED. Do not be misled by my figures. I was simply trying to get at the method of calculation.

Mr. TURNER. I was putting to him the illustration you gave.

Mr. REED. What I was trying to guard against might lead you to the idea that the wages were duplicated and multiplied and that would not be the case.

Mr. TURNER. I wanted to know if the values were piled up in that way.

Mr. WHITMAN. I do not think there is any doubt about that in all the census reports.

Mr. BYNUM. He put that labor on the yarn and charges it up as cost of labor?

Mr. REED. But he only charges the labor once.

Mr. BYNUM. When he takes a piece of yarn and puts labor on the piece he pays for the labor and pays for the yarn. Now, when the charge is taken up again the charge aggregates what is paid for labor?

Mr. WHITMAN. I will tell you how it is. Suppose Mr. Reed for instance buys a hundred dollars worth of raw material and he increases its value by putting upon it 10 per cent of labor or profit. That would make a factor when he sells it of $110. Now, suppose that he or some other member of the committee buys that at $110 and puts $40 of labor upon it. That makes the selling price $150. Now, suppose some other man buys that at $150 and puts $40 of labor upon it. That makes the value $195. Now, in the census returns the value of these products is given at $455 and the labor at $80 so that reduces the percentage of labor to less than 18 per cent.

Mr. BYNUM. Suppose that man buys $100 worth of material and puts

10 per cent to it. Now, he sells that to the next manufacturer, and he pays him $110. He pays for his labor and he puts on it $40 of labor, and that makes it $150. Now he returns that in the census as having $110 partially manufactured and having put on it $40 so the labor is counted there. That makes $150. Now, that man sells to the next man for $150, and he puts on it $30 worth of labor, and that makes $180. Now, then, you would assume——

Mr. WHITMAN. $195, I make it.

Mr. BYNUM. Well, make it $195. You assume it is all counted up, duplicated over in these final tables here, except the last 30 per cent, but if you go back you will find the $10 the man has put on has been calculated in the table, and the $40 the other man puts on has been counted, and when you finish it you have got the labor cost.

Mr. WHITMAN. What do you make the total amount of labor?

Mr. BYNUM. The total amount of labor at that would be $95.

Mr. WHITMAN. No, it would be $80 of labor.

Mr. NORTH. You keep adding the value of the labor to the value of the material.

Mr. BYNUM. But you only add what the second man puts upon it.

Mr. REED. Let me make a suggestion. The first product is $110 with the labor added; the second is $150 with the labor added; the third is $190 with $40 of labor added. Now, you get $90 for the total labor, and the total product is $110 plus $150 plus $190 as returned in the census, not really. For instance, the first man who makes the yarn gives $110 for his yarn, and that includes $10 worth of labor, and the second man gives $150 for his product, and that includes $40 worth of labor, and the third man gives $190 for his product, which contains $40 more of labor. Now, the labor is added up and makes $90, and the products are added up and makes $450.

Mr. BYNUM. Right there——

Mr. REED. Wait a moment; let me see, because this testimony is not expert testimony; it is the census.

Mr. BRECKINRIDGE. You are showing what is done.

Mr. REED. Yes; the man who takes $100 worth of raw material and adds $10 to it in labor, returns that $110 to the next man.

Mr. BRECKINRIDGE. Your point is, it is a reproduction of the same material and the addition is put in labor, not additional material?

Mr. REED. Yes; that is the idea. I think you understand it. I think Mr. Bynum will understand it as soon as he gets into his mind that each one makes return and carries the product over of the man of whom he purchases it into his own product. There can be no doubt about that. There is the fallacy of the census, and the fact is, if anybody undertook to study any such a thing in our own census or anybody else's, and did not come out and say squarely it is, his experience is different from mine.

Mr. WHITMAN. You will find it all explained in pages 25 to 44.

Mr. TURNER. Do you mean to say this kind of computation runs all through the values and computations made in the census tables?

Mr. WHITMAN. I am so informed; I do not know the facts.

Mr. TURNER. You do not state it as a fact of your own knowledge?

Mr. WHITMAN. Not except in regard to woolen goods, but I presume the same method is adopted in taking the census of woolen goods as taking other goods. The whole thing gives entirely an erroneous impression as published.

Mr. TURNER. I think the thing ought to be investigated.

Mr. REED. I think the thing ought to be abolished. I know I

exhausted it and myself, and I found the figures did not mean anything at all.

The CHAIRMAN. The census of 1880 shows 17 per cent as the average labor cost of woolen goods.

Mr. PAYNE. What is it practically?

Mr. WHITMAN. It constantly varies.

Mr. REED. It constantly varies in regard to the product. For instance in my district is one mill and right along side of it is another mill making other woolen goods and the labor cost might be different in each of those mills with the same amount of hands and almost the same management. It depends upon the product, and it depends upon varying circumstances outside of that.

Mr. WHITMAN. Yes, sir; they vary a great deal. In round numbers—that is, under free wool—I figure one-half the average would be wool, and about one-third wages, and about one-sixth labor, and the rest in such form as general expenses, insurance, etc. That is merely a rough estimate.

Mr. TURNER. You said just now that the volume of our imports is in some sort the measure of our prosperity. Did not you state the volume of our imports depended upon the prosperity of the country?

Mr. WHITMAN. I did.

Mr. TURNER. Would not you state that conversely, that the volume of our exports measured the prosperity of the country?

Mr. WHITMAN. I think that it does, I think that it is one of the evidences of prosperity.

Mr. REED. That is different somewhat, however, from being the cause of prosperity?

Mr. WHITMAN. Oh, yes.

Mr. REED. We spend money most anywhere when we have a lot of it.

Mr. TURNER. Stating it your way, if we should have a very large balance of trade, it would not indicate any adverse condition in our commerce? Stating it the way you just stated it, if the volume of our imports depended upon the prosperity of the country, then a large balance of trade would not indicate any adverse condition?

Mr. WHITMAN. Not necessarily, but there is this to be said that whenever imports of foreign merchandise become excessive they injure the country. Now, if you look back and study the history of every panic which we have had since 1837, with the possible exception of the existing depression—which I do not consider a panic at all—but if you will look back you will find that every great disturbance, industrial depression, in the United States has been preceded by excessive imports.

Mr. BRECKINRIDGE. Overtrading?

Mr. WHITMAN. Overtrading.

Mr. BRECKINRIDGE. It matters not what we trade in?

Mr. WHITMAN. That is a fact, but every great industrial disturbance we have had in the memory of men now living has been preceded by excessive imports.

Mr. TURNER. According to that England ought to be in a constant remediless panic?

Mr. WHITMAN. Not at all.

Mr. REED. He said from causes in this country.

Mr. TURNER. Then the same rule does not apply to this country?

Mr. WHITMAN. I am speaking only of this country.

Mr. TURNER. Have we had any recent large excess of imports over exports?

Mr. WHITMAN. I do not think that the imports have been very

excessive. I stated in my former remarks I did not consider the present condition of things was brought about by excessive imports.

Mr. BYNUM. I understood you to say the imports of foreign goods would displace the sale of so much of American product: that is, if a large importation was from abroad of woolen manufactures that it would necessarily reduce the sale of so much American product in the home market; is that your idea?

Mr. WHITMAN. I confined my statement to certain excessive increases to make up a deficiency of revenues. I did not mean to say every slight increase or decrease affects the market particularly one way or another.

Mr. BYNUM. Suppose you adjust the tariff so as to have more liberal trade; that is, that American manufactures and foreign manufactures may meet on an equality in the American market: do you think that would tend to reduce the sale of products at home, or sale of American manufactures or output?

Mr. WHITMAN. You are not likely to increase materially importations of foreign woolen goods that come in competition either directly or indirectly with the American fabric, you are not likely to make any material increase—I am speaking now of an immediate increase—without affecting our own industries.

Mr. BYNUM. Now, there I do not agree with you; there is where we differ. I am one of those who believe the removal of obstructions will increase production, and production and consumption go hand in hand; that when people can consume more than they can produce, that they go up together. Whenever you obstruct a market or you prohibit importation you will obstruct a market at the same time to exports, and you will find the American farmers consume just what the American manufacturers consume from them, but if you will give them an outlet they will consume that much more of goods, and that it will not injure the American manufacturer in the least, but will have the tendency to increase his sales in the home market.

Mr. WHITMAN. Your theory, as I understand it, is that if we should stop producing woolen goods and depopulate the cities——

Mr. BYNUM. I did not make that assumption, because it is not so.

Mr. WHITMAN. Or force them into other businesses or employment——

Mr. BYNUM. My theory is this: The farmers of this country are now producing a large surplus. If they can buy no more of the American manufactures than the American manufacturers buy of them the trade must cease; but this surplus must be disposed of to another community, and where there is a deficiency in other things they must buy from others.

Mr. WHITMAN. Is not that an entirely different proposition? If you will allow me, if you will make the proposition that prices will sympathize with a great steady production of a nation, I will assent to it.

Mr. BYNUM. That is my theory, that trade is nothing but a distribution of surplus. And in order that there should be a distribution of that surplus, that a community who has a surplus of one character must take the surplus of another community. Now, whenever you choose to look up or put a barrier between the distribution, or obstruct that distribution, you necessarily reduce consumption, and that in reducing consumption you sacrifice the consumers in both countries. For instance, if the farmers of this country get a liberal trade in exchange for their surplus of agricultural products, they would be enabled thereby to buy more American manufactures than they ot—

wise would. For instance, a farmer might exchange his wheat for silk, which farmers as a rule would not consume, but the cheapening of the price of silks may enable those who were able to consume it to consume more and in that way the farmer may realize more money and be able to go to the manufacturer and buy more woolen goods, and in that way the manufacturers would be benefited instead of injured.

WOOLEN GOODS.

(Paragraphs 391 et seq.)

STATEMENT OF LOUIS WINDMULLER.

I asked for the privilege of expressing to your honorable committee my views on the tariff, especially on wools and woolens, not to further that or any other particular interest, but hoping that the result of a long study which I have given to this important question may interest you at a time when it involves the prosperity of our whole country.

Of wool chiefly two kinds are imported.

(1) The coarse, for carpets, which pays 32 per cent and 50 per cent ad valorem now, is not raised in this country. Nobody will object any longer against putting that on the free list.

(2) Australian clothing wool, costing now 9 pence, about 20 cents exclusive of the present duty of 11 cents per pound. When this is removed the article would come into competition with Ohio fleece, because both are used to make the same fabrics. The shrinkage of both is 55 per cent. As the Australian staple is finer, and will become a formidable rival to our product, strenuous objections may again be raised against its free admission. We can not expect, however, that goods which are now made from it abroad can be manufactured here, if we can not get the material as cheap. It does not follow that the value of our wool must decline in consequence. Soon as the duty on foreign wool is abolished, I expect to see a rise of 10 per cent at least in the value of Australian; and Ohio fleece should decline no further when a demand for it will begin to show itself again. There is none now. It is worth 24 cents per pound, much cheaper than ever, because our manufacturers have practically ceased to buy. Last week only 1,200,000 pounds changed hands in all our markets, against 7,500,000 pounds during the same period a year ago. Piled up in the warehouses of the East and West it may decline until it can be exported to England in competition with Australian wool, if the uncertainty about the tariff lasts much longer. Some of the largest woolen mills of the country have closed, others are working half time. If the tariff discussion should continue until next spring, I expect that every mill of importance in the country will shut down.

Allow me to give you a few examples of the present duties on woolen goods.

Here are cloths for carriage linings, made in Bradford, weighing 16 ounces, costing 4*s.* 8*d.* net per yard, or $1.13; the duty of 50 per cent and 44 cents per pound is $1.005; total, $2.135.

At the World's Fair in Chicago, Thomson, from Huddersfield, exhibits cassimeres for men's wear, marked in plain figures, cost per yard in England 5*s.*, $1.25; duty, $1.31; total, $2.56.

When you remove the duties from raw materials, our manufacturers

will not object against a removal of the specific rates which now compensate them for that tax. The question about which there is a diversity of opinion is how much the other rates may be lowered without a disturbance of the present conditions. This is owing to the different estimates of the value of labor. I think it is on an average about twice as dear with us than in the countries where we buy our textile fabrics, and that about 50 per cent of their value is represented by labor when made in this country. A yard of domestic cloth sold by commission men for $1 usually represents 50 cents in labor, 30 in raw material, 20 in profit and cost of distribution. If the duty should be reduced at once to 25 per cent, I fear that many manufacturers would be obliged to stop altogether, unless they can get wages cheaper than is now practicable. When free trade was introduced in England, its manufacturers and artisans had already been trained to use the material which was best adapted to their fabrics and had learned to economize. Our experience during the recent financial depression has reduced prices, but laborers could not exist if their wages were suddenly reduced by one third or more. Some of them may acquiesce rather than be idle. But they would suffer for the necessities of life to an extent which would impair their efficiency. It may partially be due to the high rate of duties that the cost of living is so much greater here. But nearly two-thirds of the wages of a laborer is spent for food, which ought to be cheaper, because we raise it here and sell it abroad. Necessity must teach economy, but the lesson can not be learned on the spur of the moment. It will take years before our manufacturers will know it to the extent which has enabled the English to control the markets of the world.

I take the liberty of suggesting as a practicable and simple measure the following:

(1) Make all raw material, animal, agricultural, and mineral products, free.

(2) Reduce by one-half the rates on semicrude articles, which can be used only when manufactured. I refer to goods like re-reeled silk, hakled flax and hemp, hatters' fur, refined metals.

After you removed the specific rates compensating for duties on the raw material (3) make a horizontal reduction of 25 per cent from the present rates on all other goods.

The adoption of such a measure would—

(1) Not greatly disturb the industries which have adapted themselves to the present duties, and may lead the way to further reductions.

(2) A change so simple should give little occasion for long discussions, because all would be fairly treated alike. When the entire tariff had been remodeled before, almost every member wanted duties imposed on articles which his constituents made and the free admission of those which they consumed. If as much time were consumed now in discussions as formerly, our industries would continue to suffer, and all the interests which depend upon them would suffer with them.

Objections to my suggestion will be made by protectionists, who may consider these reductions too great, and by free traders, who will say they are not large enough. I admit that my plan may not sufficiently rectify some incongruities of the McKinley bill, and beg to refer to some glaring examples.

Pearl buttons are taxed 2½ cents a gross, per line, and 60 per cent—a barbarous rate, which is circumvented, however, by importing the disks from Vienna, to bore the necessary holes in them. Manufacturers

of pearl disks pay 40 per cent, which my proposition would reduce to 30 per cent.

Tin plate is taxed $2.20 per 100 pounds; I suggest a reduction to $1.65, which would be 65 cents more than formerly. This industry has just been created. For the first time tin plates have successfully been made outside of Wales. The previous attempts to make them in Belgium and Germany had been failures. It may do less harm to allow a tax of $1.65 to remain than cripple a growing and prosperous industry. If not disturbed, it will absorb large quantities of our iron and employ a great many laborers. I expect it will develop to such an extent that tin plates may be made cheaper here than in Wales when you meet again for another revision.

Before I close I would like to submit as exceptions to my suggestion the following:

(1) To abolish the tax on art and science. Paintings, books, and statuary should be free, and all the material which is used to make them.

(2) Those articles of luxury which are deleterious to health when used to excess should be taxed as heavily as possible. I refer to tobacco, liquor, and opium.

One of the chief objects of the new tariff should be the encouragement of our manufacturers.

Before long our ability to export food must diminish as our wheat and cotton fields become exhausted and population increases. We must begin to look for other exportable commodities if we want continually to enjoy our present commercial supremacy. If we encourage our manufacturers they may be able to supply the prospective deficiency of our exports. They would then no longer be confined to our home market, but would compete with France, Great Britain, and Germany wherever their fabrics are now consumed.

LOUIS WINDMÜLLER,
New York.

WOOLEN GOODS.

(Paragraph 392).

STATEMENT OF MR. H. L. JAMES, WOOLEN MANUFACTURER, OF ROCKVILLE, CONN.

Mr. CHAIRMAN: I come before you concerning the woolen manufacturers interested in this question of a tariff on wool and woolens. I come from Rockville, Conn. I believe our factory is in the first district. Our business is entirely that of manufactures. We have one cotton mill manufacturing mostly cotton warps and muslins for men's wear, and cotton warp for ladies' wear; we have one silk mill manufacturing silk twist and sewing silk; we have two mills making knit goods and linens. We have five or six woolen mills engaged in making woolen cloth and fine goods for men's wear; we have one envelope mill. These several establishments are in Rockville, Conn., and are to-day entirely stopped. We haven't a spindle turning, not a loom running, not a man employed, and the whole industry of the town depends on these several mills. Our locality is one of the oldest localities in the country. The corporation with which I am connected as treasurer and manager began business in 1821, and has had a continuous experience for over seventy years. We were compelled to stop more or less in the win-

ter of 1857, which was called the hard-times winter among the woolen people. I think our corporation had to suspend operations more or less in 1837, which was before my time. Aside from that, the corporation I represent has been in continuous business without stopping since 1821.

Something has been said in your hearings about the running of the mills by taking orders, etc. Without going over the matter, I would like to say what my own experience and knowledge has been, knowing it to be the experience and knowledge of all the people, more or less, who are engaged in the same business. In the month of July we sent out large samples of all our goods for the next year's consumption by the people. We are accustomed to take orders in the month of July and early in August for 5,000 or 6,000 pieces of fine goods for men's wear, and making quantity sufficient for the next two or three months to run us to January or February following. That is the common custom among the woolen mills. This year we sent out our samples as usual to the wholesale clothing trade of the large cities and also to the jobbing trade. We sell our own goods and have no commission houses. We have 150 customers in the wholesale jobbing and clothing trade in Boston, New York, Philadelphia, Baltimore, Cincinnati, Chicago, St. Louis, Louisville, New Orleans, Milwaukee, and the larger cities. We received favorable responses. We were told that the goods were all right; that the cloths were proper in finish and style and manufacture. No objection was made to the cost of them; but buyers were not ready to buy, and the only reason they could give for not buying was that they did not know what goods were going to be worth next spring, when they had to market them. They said that if such action was taken by this committee and this Congress as would have a bearing on values, they could not predict what the values would be when they came to sell their goods.

We sent samples in July and August, and took orders to deliver those goods in the fall and early in the winter. They want to know what the prices will be in the following summer.

In July of this year, instead of getting orders for this season's business of 5,000 or 6,000 pieces, we had on our books the 1st of August orders for between 1,400 and 1,500 pieces. We have been delayed in getting additional orders for the same reason, that people would not order until they had some idea as to what would be done by this committee. Instead of the mills starting up and increasing their production, instead of orders being increased as has been stated here, the contrary has been true. Instead of having our usual number of orders on hand, we have not taken orders, but the cancellations have more than equaled the orders that stand. The consequence is that we have been compelled to stop the work. In the month of July we stopped the mills entirely one week, and the balance of the month and the early part of August we began three days in a week. Since then we have not run half of our machinery. This week other mills have been stopped in the town, so that they are now nearly all stopped.

We read in the papers where mills start and stop, here and there, and where this mill and that mill increases; but the contrary is true. When one mill is started more have stopped or curtailed previous production. It is true in my own town, and it is also true in every other manufacturing town that I know of. It is not for the lack of endeavoring to sell goods; it is not because the goods are not of good quality and nicely finished; it is not because there is any stocks on the market, because the markets are practically bare of this kind of goods; but it is

simply a want of confidence on the part of the people to whom we sell—the whole wholesale jobbing and clothing trade. In the meantime our employés are out of work. They come to us and say: "Can't you give me something to do, as I have a wife and children, and I must take care of them." All we can say is what I said last Saturday: "This matter is coming up before the Ways and Means Committee, and unless we can get from them some help we can not help you." As a consequence, in many kinds of business half the goods under order have already been made and the other half will be inside of six weeks.

If we get no further orders the mills will shut down. In the mean time very many of our people will have no means of buying food for themselves and families. That is the situation in our town; and I say from my own knowledge that it is largely the situation in the woolen industry throughout the country. What I have said does not vary very much from what you can read in the papers day after day.

Mr. WHITING. If the producers and consumers through the country were selling their products at a fair price, would not there be a demand for the goods?

Mr. JAMES. There would be no demand for goods from any woolen people I know of until there is confidence on the part of the clothing manufacturers and jobbers who desire to contract to-day at prices that will not be cut under when they gets ready to market the goods which we sell to them.

Mr. WHITING. They will supply the trade if the people will buy it and pay for it.

Mr. JAMES. They wont pay us 2½ cents for goods under the expectation that you will make them 2 cents next April.

Mr. BYNUM. The trouble with you is that the Mills bill did not pass.

Mr. JAMES. That is largely a matter of opinion.

WOOLEN GOODS.

(Paragraph 392).

STATEMENT OF MR. LATZKO.

Mr. CHAIRMAN: Permit me to express my sincere thanks to you for affording me an opportunity to be heard by this honorable committee. I desire to give you my views on textiles, and particularly on woolens. Although a foreigner, living in Bruenn, Moravia, Austria, the center of the Austrian textile industry, I am well acquainted with the American textile industry. It is for a period of more than a quarter of a century that I have followed, step by step, the magnificent progress this industry has made. My first knowledge of the details of American woolen industry dates back to the year 1866, when I returned to Austria, having spent a number of years in the woolen centers of Belgium, France, England, and Scotland, where I had started as a weaver, and finally acted as superintendent of woolen mills in France, England, and Scotland. I founded a woolen mill in Austria in 1866, and it was in that same year that my business relations with the United States commenced.

I have since visited your industrial centers, especially the centers where woolen goods are manufactured, and frequently have exchanged

views and dates with American manufacturers, so that I may say that I am perfectly familiar with the details of your woolen industry as well as I am informed about those of my own country. This is one of the reasons why I thought my statement might be of some value to this committee.

Before I begin, gentlemen, let me assure you that I do not come before you with the intention to convince you that you should abolish all duties on articles manufactured and imported by me into the United States. I simply intend to prove that the present tariff on woolens is higher than necessary for the protection of the American manufacturer, and to plead for a reduction. Although for many years I have been familiar with the fact that woolen and worsted goods of all qualities are manufactured in the States, I may say the World's Columbian Exposition at Chicago alone with its 128 different exhibits of woolen goods amply proves that all qualities and grades are manufactured in the United States. I have studied thoroughly all those exhibits. The most important of the American exhibit have been assigned to me by the executive committee on awards, to make a report as member of the international jury, and I have found that the greatest part of those exhibits can compete with the very best and finest goods which are manufactured in Europe; style, quality, finish, coloring, are excellent. While examining those beautiful exhibits, I candidly say myself it seems a mere prejudice among certain classes of people in America that domestic goods can not be produced in the same qualities as foreign goods which are imported into this country. I am convinced that to-day the American manufacturer is able to make every kind of grade of wooolen goods at least just as good as we make them in Europe. And why not? There is, I am sorry to say, to-day no secret in the way of producing goods. I mean no technical secret. Furthermore the weaving is to-day the most important feature of the manufacturer. Your system of power looms has been adopted by European manufacturers because we found your system far superior to those of Europe. I remember the time when I introduced in 1867 the first Crompton loom in Austria. Many of my competitors who at that time thought it impossible to make perfect goods on a loom which makes more than thirty-four picks per minute smiled at my efforts. The American Crompton looms which I introduced I think made seventy. The American manufacturer could work this loom with satisfaction with such a speed. I, however, was obliged to run the loom with fifty-two picks per minute, because I could not find a weaver to work that as it was done in the United States. It is a well known fact that in regard to weaving all the good, industrious, and improved work that have been made during the last twenty-five years came from America. The American systems of Crompton and Knowles power looms have been adopted and found superior to all those heretofore used in Europe. Your wages for labor, particularly for skilled labor, are considerably higher than ours.

Wages paid in leading American woolen mills.

SCHEDULE I.

Wool sorters	$10.50
Wool scourers	8.00
Dye-house hands:	
Second hands	10.50
Regular	8.00
Giggers	7.00
Dry finish:	
Second hand	12.00
Other labor, men	8.00
Speckers	4.50
Burrers	7.00
Shearers, men	8.00
Spinners, second hand	11.00
Spinners	10.00
Spoolers, per spool	.10
Card room:	
Second hand	$12.00
Strippers	10.00
Pickers	7.00
Tenders	4.50
Weave rooms, second hand	13.50
Harnessers	7.50
Loom fixers	12.00
Drawers in	6.00
Dressers, head	12.00
Handers in	3.35
Markers	4.50
Weavers, average	9.50
Wet finish	16.50
Wet, general help	8.10
Repair hands	10.00
Watchmen	9.00

SCHEDULE II.

Wool sorters:		
Men		$14.00
Girls		6.00
Scourers, men		10.00
Assistant carders, men		18.00
Card grinders, men		15.00
Carders (section), men		13.00
Carriers and strippers, men		10.00
Card boys		7.00
Assistant spinners		18.00
Spinners, men		12.00
Piecer boys		6.00
Twisters, spoolers and reelers		6.00
Engineers		18.00
Firemen		12.00
Watchmen		$14.00
Warp dressers		14.00
Assistant overseers, weaving		18.00
Fixers or tuners		16.00
Weavers		12.00
Drawers in		12.00
Burlers or knotters	6 to	8.00
Menders	8 to	10.00
Fullers and gig hands		10.00
Cloth examiners		12.00
Shear hands		9.00
Laborers		9.00
Overseers	20 to	30.00
Machinists and carpenters		15.00

Average wages paid in European woolen mills.

Wool sorters	$5.00
Wool scourers	3.50
Dye-house hands:	
Second hands	5.00
Regulars	4.00
Giggers	3.00
Dry finish:	
Second hand	5.00
Other labor, men	4.00
Speckers	3.00
Burrers	4.00
Shearers, men	4.00
Spinners, second men	6.00
Spinners	6.00
Spoolers, per spool	4.00
Card room:	
Second hand	$6.00
Stripper	5.00
Pickers	4.00
Tenders	3.00
Weave rooms, second hand	7.00
Harnessers	4.00
Loom fixers	8.00
Drawers in	4.00
Dressers, head	6.00
Handers in	2.50
Markers	3.00
Weavers, average	6.00
Wet finish	6.00
Wet, general help	4.00
Repair hands	6.00
Watchmen	5.00

But I find that using the same machines that we use, your workingmen produce more. Looking at your official statistics as well as the dates gathered by myself from a number of American manufacturers, and comparing the average number of yards of cloth, that you can produce on the same loom used in European factories, I come to the conclusion that your weaver, being more intelligent and more industrious

than our weavers, who work for lower wages, produce more value in a day than the European workingman.

I now desire to submit to the committee a few tables that I have prepared showing the difference of cost in the manufacture of certain standard goods in the United States compared with Europe. The figures which I am going to present are those of your Bureau of Labor Statistics; also others which I have prepared from my own observations. First in your own official statistics contained in the annual report of Commissioner Wright for 1891, the average cost for labor, officials, and and clerks, fuel and lighting, oil, repairs, and taxes in the United States amount to 48½ cents per yard for 16-ounce fancy worsted cloth. I have compared this with data which has been furnished me a few days ago by some of the most prominent manufacturers of the United States, and I find that your average of 48½ cents per yard is higher than the actual cost for this class of goods stated in the communications received by me from the manufacturers themselves. But nevertheless I will take your official figures, 48½ cents, as a basis for my calculations.

[From Seventh Annual Report of the Commissioner of Labor, 1891, pp. 176 and 177.]

TABLE 1.—*Elements of cost in one yard.*

Product No.	Materials, not.	Labor and supplies.	Total.	Labor and supplies, one yard.
190	$1.51	$0.45	$2.00	$0.49
193	1.33	.34	1.67	.34
205	1.57	.65	2.32	.65
187	1.38	.28	1.66	.28
183	1.60	.47	2.07	.47
186	1.57	.60	2.17	.60
203	1.36	.60	1.96	.60
211	1.30	.42	1.72	.42

This shows average cost for labor and supplies in one year to be 48½ cents.

Table A shows the cost of 50 yards of cloth manufactured in America to be $1.87 per yard.

TABLE A.—*Present cost in the United States of America of 50 yards fancy worsteds in weight of 16 ounces per yard, made of 2-fold 40-worsted yarn, fine quality.*

	Per pound.
55½ pounds 2–40 yarn, in white	$1.10
Dyeing and dressing	.15
	1.25
55½ pounds, at $1.25	69.37
Cost of labor, official and clerks, fuel and lighting, oil and other supplies, and repairs and taxes, per yard, 48½ cents; 50 yards	24.50
	93.87

Cost of 1 yard, $1.87.

This cost price is a little lower than the price stated in the official statistics. The latter shows this class of goods costs $1.95 per yard. The difference of 8 cents per yard is accounted for by the fact that since the official report was made yarn has become cheaper.

Table B shows the cost of 50 yards to be, according to the report of the Commissioner of Labor, $1.95 per yard.

TABLE B.—*Cost in the United States of America of 50 yards fancy worsteds in weight of 16 ounces per yard wide, out of 2-fold 40-worsted yarn, fine quality.*

[Seventh Annual Report of the Commissioner of Labor, 1891, pp. 176 and 177.]

Product number.	Total cost per yard.	Product number.	Total cost per yard.
190	$2.00	183	$2.078
193	1.67½	186	2.179
205	2.32	203	1.968
187	1.66½	211	1.723

Average cost per yard, $1.95.

Table C shows the cost of the same class of goods as manufactured in Europe to-day, namely, $1.53 per yard.

TABLE C.—*Present cost in Europe of 50 yards fancy worsted in weight of 16 ounces per yard, made out of 2-fold 40-worsted yarn, fine quality.*

	Per pound.
55½ pounds 2-40 yarn, in white	$0.66½
Dyeing and dressing	.15½
Per pound	.82
55½ pounds, at 82 cents	56.51
Cost of labor, official and clerks, fuel and lighting, oil and other supplies, and repairs and taxes, per yard, 40 cents; 50 yards	20.00
	76.51

Cost of 1 yard, $1.53.

Table D shows the cost of the goods manufactured in Europe when imported into the United States under the present tariff, namely, $2.79 per yard.

TABLE D.—*Cost of 50 yards fancy worsted, imported under the present tariff.*

50 yards, at $1.53		$76.50
Duty, 50 per cent ad valorem on $76.50	$38.75	
50 pounds, at 44 cents	22.00	
		60.75
		137.25
Cost of landing, freight, and shipping, 50 yards		2.74
		139.99

One yard, $2.79.

Table E shows the cost of 50 yards manufactured in America from the same yarn used by the European manufacturers (European yarn imported into the United States), namely, $2.49 per yard. This shows how much protection the American weaver enjoys at the present time.

TABLE E.—*Cost of 50 yards fancy worsted manufactured in America out of imported European yarn.*

55½ pounds yarn, at 82 cents (price in Europe)		$56.51
Duty on yarn, 40 per cent on $56.51	$22.60	
55½ pounds, at 38 cents	21.09	
		43.69
		100.20
50 yards, cost of labor, official and clerks, fuel and lighting, oil and other supplies, repairs and taxes, per yard, 48½ cents; 50 yards		24.50
		124.70

Per 1 yard, $2.49.

Table F shows the cost of 50 yards, supposing that raw wool could be imported free of duty, namely $1.63 per yard.

TABLE F.—*Cost of 50 yards of fancy worsted out of 2–40 yarn under free wool.*

If the white yarn costs now $1.10 per pound, it will cost under free wool 22 cents less, *i. e.*, 88 cents.

2–40 in white under free wool	[illegible]
Dyeing and dressing	.[illegible]
1 pound yarn	1.[illegible]
55½ pounds, at $1.03	[illegible]
Cost of labor, official and clerks, fuel and lighting, oil and other supplies, repairs and taxes, per yard, 48½ cents; 50 yards	[illegible]
	[illegible]

One yard, $1.63.

Table G, cost of 50 yards imported into the United States, supposing that a duty of 35 per cent ad valorem were laid on such fabrics, but no specific duty, namely, $2.06 per yard.

TABLE G.—*Under duty of 35 per cent ad valorem 50 yards imported fancy worsteds.*

50 yards at $1.53	[illegible]
Duty 35 per cent ad valorem on $76.50, 50 yards	[illegible]

One yard, $2.06.

Table H shows the cost of 1 yard in Europe, accordin of Commissioner Wright, to be $1.377.

TABLE H.—*Elements of cost in 1 yard, according to the Annual Repo sioner of Labor.*

Product numbered 217 shows that the material costing net	[illegible]
And the elements of labor, officials and clerks, fuel, lighting, supp repairs, costing	[illegible]
Total, one yard	[illegible]

In reality the cost of labor, officials and clerks, fue supplies, repairs, and taxes being $0.40 per yard.

As to this table I may add that Commissioner Wri cost for labor per yard at 35 8/10 cents. My own figure labor are 40 cents. But Mr. Wright arrives at his fig the cost of labor in one factory only, while I have giv figures of a great number of mills in different localities. the difference.

Summary of tables.

1. Shows labor and supplies in one yard cost according to average the report of Commissioner Wright [illegible]
A. Present cost 50 yards manufactured in America [illegible]
B. Average cost 50 yards according to the report of Commissioner
C. Present cost 50 yards in Europe [illegible]
D. Cost of 50 yards imported under present tariff [illegible]
E. Cost of 50 yards manufactured in America from European yarn
F. Cost of 50 yards in the United States under free wool [illegible]
G. Cost of 50 yards imported under 35 per cent ad valorem duty [illegible]
H. Cost of 1 yard in Europe according to report of Commissioner

One word more concerning the calculations of the cost of production. Neither in the calculation of Mr. Wright nor in my own have been included the interest on the capital invested, or the depreciation of plant. But as these items would be nearly the same in Europe as here, the omission does not change the figures in either case.

It thus appears from the tables here presented that under the present tariff the American manufacturer is protected by 49 $\frac{2}{10}$ per cent.

Under a tariff which permits raw material to come in free he would be protected by 71 $\frac{1}{10}$ per cent, provided the present duties on manufactured goods should be continued.

Under a tariff which permits raw wool to be imported free of duty, while manufactured articles would be subject to an ad valorem duty of 35 per cent, as proposed by me, the specific duty of 44 cents per pound being abolished the American manufacturer would still be protected by 26 $\frac{3}{10}$ per cent.

It has frequently been stated that one of the main purposes of laying duties on manufactured articles was to protect the American laborer against the competition of foreign labor. The item of labor in goods costing $1.87 per yard to produce is about 73 $\frac{5}{10}$ of a cent of about 40 per cent. This labor would not be protected in full, but besides there would be an extra protection of 26 $\frac{3}{10}$ per cent over and above the difference between the cost abroad and in the United States, if raw wool should be made free and only a duty of 35 per cent ad valorem be levied on woolen fabrics.

Permit me to explain here how I arrive at the figure of 73½ cents for labor per yard in toto. The amount of 48½ cents given by the official report quoted before does not include the cost of labor employed making the worsted yarn. This amounts to about 25 cents per pound, and I have added these 25 cents to the 48½ cents given as the cost per yard of cloth, thus making the whole charge for labor 73½ cents per yard of 16-ounce cloth.

As I have mentioned before, by glancing at the above tables, you will observe how much the American manufacturer is protected in every case. Now I am of the opinion that the high tariff on raw material is a great drawback for your American manufacturers. The leading woolen manufacturers of the United States want free wool, and they should have it. If this is granted them they will be able to compete with any nation of the world. Free wool would give a better chance to the manufacturer in America and to the importer as well, provided the tariff on manufactured article is reduced accordingly. It would cheapen the goods for the consumer, and the consumption would increase. A natural consequence of this would be that with the greater demand for goods there would be a correspondingly greater demand for labor, and thus labor will profit thereby as well.

In continuation let me explain the personal interest I would have in such reduction. I will state first that the import of foreign woolen manufacturers has fallen off considerably since the McKinley act has been in force. A reduction of duties would certainly stimulate imports to a certain extent. It may seem astonishing that under the present high, almost prohibitive, duties goods could be imported at all. The class of goods imported consist in a large measure of high class fancy goods. These goods are very difficult to manufacture, because they are made from a very high and fine grade of yarn. Furthermore they are manufactured in comparatively small quantities. The American manufacturer does not care to produce goods of this class, because when he makes a style he wishes to produce large quantities of it, therefore

goods that are not salable in large quantities are as a rule not manufactured in American mills. The European manufacturer found that there is less competition in this class of goods, and this gives him an opportunity to compete.

There is another circumstance which affords the foreign manufacturer a chance to sell his goods in the American market in spite of the disadvantage of a high tariff. This is the fact that there is a certain class of consumers in the United States who prefer imported goods simply because they are imported. The same goods of the same quality may be manufactured in this country and be sold at a lower price than the imported article. Still this class of consumers insist upon having the imported goods though they have to pay much dearer for them and do not get any better value for their money. The weavers certainly have to take into consideration these tastes, and serve their customers accordingly.

A reduction of duties would, as I said before, probably stimulate imports in a measure, but, on the other hand, the abolition of duty on raw material would enable the American manufacturer to produce his goods so much cheaper that the consumption would be largely increased. The increased imports in that case would hardly cut a figure compared with the larger profits derived by the American manufacturer by means of larger sales.

I believe, therefore, that while a reduction of the duties on woolens preceded by the abolition of the duty on raw wool would inure to the benefit of the foreign manufacturer and the importer, it would not injure the American manufacturer nor the American laborer, as both of them would derive greater benefits from such a change in the tariff than either the importer or the foreign manufacturer.

TO SHOW THE DEVELOPMENT OF THE WOOLEN INDUSTRY IN THE UNITED STATES.

Total produce of woolen goods:		Importation of woolen goods into the United States:	
1810	$20,696,000	1867	$58,719,754
1850	42,207,000	1870	37,064,001
1860	68,865,000	1880	35,356,992
1870	199,037,362	1890	56,582,432
1880	267,252,913	1891	41,060,060
1890	338,231,109		

Importation in 1890 shows only 16⅞ per cent, compared with the value of goods produced in the United States of America.

Mr. LATZKO. The labor statistics of this country are wonderfully good. They are better made than anything in Europe. The only trouble is that only a practical man can understand them. They have gone into details, and I find their prices, as compared with the trade statistics in Europe, are very much better.

Mr. REED. What is the difference between the cost per yard in Austria and here of the goods you have mentioned?

Mr. LATZKO. The cost is $1.53, and the cost of the imported article is $2.79.

Mr. REED. That includes the tariff?

Mr. LATZKO. Yes, sir.

Mr. REED. Have you made any calculations as to what it would be with a tariff of 35 per cent?

Mr. LATZKO. Yes, sir; it would be $2.06.

Mr. REED. And the American manufacturer can manufacture it at what price?

Mr. LATZKO. At $1.63.

Mr. REED. Is that with free wool?

Mr. LATZKO. Yes, sir.

Mr. REED. How would he get in then?

Mr. LATZKO. The American manufacturer is protected with 26 per cent.

Mr. REED. How would he get in, if it cost so much?

Mr. LATZKO. Just for the reason I have stated. There is a large class of people who want the imported article, whether it is better or not.

Mr. REED. That class of people we already supply, do we not?

Mr. LATZKO. Not very much. It would help me, because it has fallen off. I have here a table which shows how much it has fallen off. It has fallen off from 1874. The importations from Austria then were $600,000, and the whole now is only $159,000.

Mr. REED. Then, as I understand you, the American manufacturer is not only at a disadvantage with the price of labor—which you think would be compensatory with the duty of 35 per cent—but he has another disadvantage in the preference of a certain class of people for foreign goods at any price?

Mr. LATZKO. When you bear in mind how many goods are sent to the market, $338,000,000 worth, and the total imported is only $41,000,000 worth—

Mr. REED. Is not that generally true, that Americans have to contend against this prejudice arising from the preference for foreign goods?

Mr. LATZKO. Yes, sir; as a general rule.

Mr. REED. They always have that to contend with.

Mr. LATZKO. But we have that in Europe the same as you have here, because people want imported goods, as if they were something better.

Mr. REED. That is one of the things to be taken into account in a tariff, and particularly this one?

Mr. LATZKO. 16 per cent is nothing in comparison with what you produce in this country.

Mr. STEVENS. You say you imported looms; where did you get them, in England, or here?

Mr. LATZKO. I got them in Belgium, and some in England, too. It is thought all over Europe that your looms are the best.

Mr. STEVENS. What did they cost you?

Mr. LATZKO. About $400 laid down in Austria.

Mr. STEVENS. Were they imported from here?

Mr. LATZKO. They were not imported from here, but from England. We have to pay about 26 per cent duty on looms under the new Austrian tariff.

Mr. STEVENS. Your duty was $120 on each loom, because they cost $280.

Mr. LATZKO. Yes, sir.

Mr. STEVENS. They cost $450 here.

MANUFACTURES OF WOOL.

(Paragraph 392.)

NORWICH, CONN., *September 11, 1893.*

SIR: At this time, with many other woolen manufacturers, we are greatly interested in the anticipated tariff revision. Allow us to call your attention to figures which do not at all times enter into discussion,

We are told, in the first place, that raw materials are to go on the free list. This is good, and meets with our hearty approval; but as our experience has been the wool which enters into the makeup of goods is but about 50 per cent—that is, there are besides not only the labor account, but supplies, coal, insurance, taxes, interest, repairs, and many other expenses only known to those who have had them to pay. We feel that you, as a man of business, can readily see that the woolen manufacturer, when he hears of 25 to 30 or even 35 per cent ad valorem tariff, shrinks from the prospect. We think your good judgment will convince you that 50 or even 55 per cent (and this, in our opinion, should be a specific duty) will not leave the producer any excessive profit. Having been, during the past twenty years, wool dealers as well as manufacturers, we have taken this opportunity to go through a list of woolen mills within a distance of 50 miles or so with whom we have had business dealings during this time. On summing up, we find that of the seventy-two woolen mills within this radius, fifty-six have failed; not a very flattering commentary on the woolen manufacturing business in this region, to say the least. The net result of our woolen manufacturing business for the past five years has not been at all satisfactory; the price of the raw material has been variable, and the net prices of goods have not been such that they have left the manufacturer but very little for his share. We think the woolen industries will be in a more healthy condition, and the extreme fluctuation done away with in a measure, when wool is on the free list, even though the duties may be reduced some on the manufactured product. We employ about 225 operatives in the production of woolen goods, and from the best information we can obtain we are convinced that the wages we pay our help are, in many instances, double the amount paid for similar work in foreign countries. We have figures to corroborate all the statements made in this communication.

We submit the above facts, and trust you may feel in accord with us on this subject.

Respectfully, yours,

HALL BROTHERS.

LASTINGS.

(Paragraph 392.)

BOSTON, MASS., *September 19, 1893.*

SIR: We beg to call your attention, in connection with the to English shoe lastings, an article we have been importing i many years.

These goods are not made in this country and could nc profitably, even under the present rate of duty, owing to amount used and for other good reasons. These shoe lasting of worsted and cotton, the worsted warp forming the face and weft the back. We believe there are no other fabrics woven in They are used exclusively for cheap, durable shoes, worn by th middle classes. The present duty on them, under the McKin 50 per cent ad valorem and 44 cents per pound (an average cent), the duty being higher on the coarser counts that ar the cheapest shoes than on the finer numbers. The coar being heavier in proportion to their cost, the duty is relative

The duty in the previous tariff was 35 per cent and 18 cents

or about 70 per cent, which should, even in the event of their ever being made here, be sufficient protection.

Since the increase of duty under the McKinley law the demand has decreased fully 50 per cent, or from about 25,000 pieces to something less than half that quantity.

These goods being used exclusively for cheap shoes and for no other purpose, and not being made or likely to be made in this country, we respectfully submit that they should be classed specially in the new tariff at a reasonably low rate of duty.

Respectfully,

FARNSWORTH, HOYT & CO.

LASTINGS.

(Paragraph 392.)

BOSTON, *September 19, 1893.*

SIR: The schedule of the article which we import from English manufacturers is a black English lasting used solely and only by shoe manufacturers in making a comfortable, durable, and cheap shoe adapted principally to the use of old women. This article is a cotton weft with a worsted face, of which 40 per cent is cotton.

Judging from our experience of many years in this business, it is not probable the present importation is more than 15,000 pieces per annum, and at the present time it is not manufactured in this country, and it never has been, with the exception of a short time some fifteen years ago, when the Oswego Falls Manufacturing Company, and the Lowell Manufacturing Company, used a portion of their waste wool from the manufacture of coatings to make this lasting for the same purpose. We were the selling agents for the Oswego Falls Manufacturing Company, and as they did not find it profitable they gave up making the goods and the machinery was disposed of.

These goods were scheduled in the old tariff as "manufacturers of worsteds," paying a duty of 35 per cent ad valorem, and 18 cents per pound, and in the present tariff they are classed with "woolen goods" and are now paying 50 per cent ad valorem and 44 cents per pound. A case of these goods at the present time would cost landed in Boston in bond $121.87, but when we wish to take these out of bond we are required to pay the duties of $152.42, which is 125 per cent on the foreign cost. While under the old tariff the duty would have been only $78.79, or a little more than 64 per cent. Our reason for calling this specially to your attention is that the consumption is not sufficient to give any opportunity to American manufacturers to make these goods. For this reason we feel that they should be classed by themselves as "worsted goods partly made of cotton," and the old duty of 35 per cent ad valorem, and 18 cents per pound, is quite sufficient to protect any manufacturers should they ever wish to produce them in this country.

Truly yours,

DEAN, CHASE & CO.

LASTINGS.

(Paragraph 392.)

DEAR SIR: The elastic goring is practically a new industry in America, and is gradually increasing, as the following facts will show:

In 1880 there were only 108 goring weavers in America, whereas to-day there are upwards of 400, the female labor engaged in the industry as winders, warpers, finishers, etc., having increased in proportion.

We, as a body, have been steadily employed at reasonable wages until the last three months. During the period of the gradual development of our industry mentioned above the trade has gradually declined in England, as the following facts will show:

In 1880 there were 1,100 goring weavers employed in Leicester, England; during the last three years there has not been more than 150 who have not averaged more than thirty-five hours per week. In Coventry, England, 450 were engaged weaving in 1880, and now there are not more than 100. The same conditions exist in other parts of the country.

In 1880 there were 57 manufacturers of goring in England; at the present time there are 21. The principal reason for this decline of the trade in England is, in our opinion, due to the inferior and cheap goring manufactured by the English manufacturers having failed to give satisfaction to the wearers of the Congress shoe, and thereby having practically ruined the trade.

In the United States the manufacturers of elastic goring, profiting by the lesson taught by the English manufacturers, are making goring that will give satisfaction to the purchasers of Congress shoes, a large proportion being warranted by them; this has had the effect of gradually increasing the demand. Now, the point we beg to submit is: That if the tariff on elastic goring is put down to such a point as to allow the cheap and inferior goring of the English manufacturers to be put upon the American market, the inevitable result will be that not only will it result in reducing our wages, but that it will also result in ruining our industry by disgusting the purchasers of Congress shoes the same as they have done in England.

Ninety-seven per cent of the goring used in America is made here. This is a showing that very few trades can equal—and we can consistently claim to be a home industry, and fail to see why English cheap gore made at starvation prices should be allowed to enter into competition with good gore made by American workmen at fair wages. We submit that it is immaterial to the manufacturers of shoes whether the goring is poor or not, as they know that if the wearers of Congress shoes are disgusted with them that it will not make any material difference to them, as they will purchase shoes of another kind, but it is a matter of vital importance to our association as a body, as it affects not only our own social welfare, but also the welfare of our wives and families.

Respectfully submitted.

GEORGE ASTILL,
GEO. SWANN,
Committee of Elastic Goring Weavers
Amalgamated Association of America.

BROCKTON, MASS., *September 22, 1893.*

PIANO FELTS.

(Paragraph 396.)

FRIDAY, *September 15, 1893.*

STATEMENT OF MR. RICHARD RANFT, OF NEW YORK, IMPORTER OF PIANOFORTE FELTS.

Mr. Chairman, I represent a firm which has been established 35 or 40 years in New York City, importing piano felts. There are two or three qualities of these goods which we import for use in the manufacture of pianos. We supply the entire trade more or less with European felts. We have always kept them. We have to-day to import the same goods as before the McKinley bill was passed. We had these goods in woolens, but they were not satisfactory. The classification compelled them to be entered and paid as woolens not otherwise specified, paying an average of 7⅞ per cent. In 1890 we found that our goods were specifically mentioned for the first time and brought in under paragraph 396, which has been spoken of for the first time this morning. They now come under ready-made clothing and India rubber goods—felts not woven or otherwise specified.

Under this new paragraph 396, Schedule K, the average duty is advanced from 7¾ to 114 per cent. The lowest rate is 100 per cent on under-felt, which is 30 per cent ad valorem as against a former duty of 90 cents, 77 cents, and 69.7 cents. Under this duty we find the average to be 78 per cent. This was found to be profitable enough to start a manufacture of these goods in this country. One concern in New York is making these goods, and there is only one firm which has succeeded in making them. That firm has increased very largely. They have under this duty of 78 per cent in twelve or fifteen years made a million and a half dollars; and they began with nothing.

Mr. GEAR. That is Mr. Dolge?

Mr. RANFT. That is Alfred Dolge.

Mr. GEAR. He makes other goods besides?

Mr. RANFT. I do not want to convey a wrong impression. These goods now pay an average of 114 per cent against a former average of 78½. All we ask, gentlemen, is for you to do something fair, and to give us such an amount of duty as we charge to the pianoforte makers. These goods have all to be partly manufactured, cut up, and made into hammers. Some makers make the hammers in their own shops, and others procure these hammers from the trade. We would respectfully petition that this is not feasible. We want to get our goods out of the schedule of ready-made clothing and India-rubber goods. They have nothing to do with that schedule, and ought to be placed back under woolens. We will then pay the same rate that woolens are paying. We are perfectly willing to pay the American manufacturer a protection of 40 or 50 per cent, enough to enable him to make up the difference against the wages of European labor, and to allow a fair amount for his investment; but we think when it comes to paying as high as 130 per cent on goods sold to the American trade, we are justified in asking a reduction.

Mr. GEAR. Are these goods sold by the pound?

Mr. RANFT. Yes, sir.

Mr. GEAR. Have they not largely declined in price since the passage of the McKinley bill?

Mr. RANFT. No, sir.
Mr. GEAR. Have they gone up in price?
Mr. RANFT. No, sir; they sold for the same price.
Mr. PAYNE. This ad valorem rate of duty is how much on the pound?
Mr. RANFT. It is 49½ cents a pound.
Mr. PAYNE. It is a compensatory duty on wool?
Mr. RANFT. Yes, sir.
Mr. PAYNE. Is it not true that there were a very small amount of this kind of goods made in this country up to 1890?
Mr. RANFT. I do not know as to that.
Mr. PAYNE. Mr. Dolge claims that he has supplied three-fourths of the trade up to 1890. He gave that impression to us. He claimed to be making these goods up to 1890.
Mr. RANFT. His working men have spoken to me about it.
Mr. PAYNE. He divides his profits with his working men?
Mr. RANFT. He claims to.
Mr. PAYNE. It is run on the coöperative plan?
Mr. RANFT. That is what he claims.
Mr. PAYNE. Whether or not he has made all his money out of manufacturing, you do not know?
Mr. RANFT. He must have made it out of manufacturing?
Mr. PAYNE. That is all you know about it?
Mr. RANFT. Yes, sir.
Mr. PAYNE. Does not the Government get the whole duty since 1890 out of these goods?
Mr. RANFT. Yes, sir.
Mr. PAYNE. And the price is no greater to the manufacturer, and the domestic manufacture of the goods has increased?
Mr. RANFT. I do not think so.
Mr. PAYNE. Mr. Dolge claims that it has.
Mr. RANFT. I deny that it has.
Mr. PAYNE. You do not accept any statement, unless it suits your purpose?
Mr. RANFT. Not at all. If we can not get these goods under woolens, not otherwise specified, I would beg the committee to have these goods put in under the head of underfelts, or as woolens under another schedule.
Mr. PAYNE. They are a high grade of manufacture, involving a great deal of labor cost?
Mr. RANFT. I do not know.
Mr. PAYNE. Mr. Dolge claims that, too.
Mr. RANFT. You are right there. He claims everything. That is all I have to ask, to get a separate heading for underfelts, and to take it out of the ready-made clothing schedule, where it does not belong.
The CHAIRMAN. The manufacturer is getting his wool cheaper?
Mr. RANFT. Yes; I think it is lower.
The CHAIRMAN. And the consumer has not got any benefit?
Mr. RANFT. Not under the McKinley bill.

ALBANY, N. Y., *September 8, 1893.*

We have thought it might be of interest to you to know more about the manufacturers of felts in England at the present time, with the prices they obtain for same in their home market, and who are now seeking under the possible change in the present tariff to secure a *larger* share of the trade in this country than they are at present

receiving. You must remember they are, under the present tariff, getting a large trade for their felts and jackets in this country, while holding the trade of their home market by reason of their paying for their labor so much less than we are paying in this country in this line of woolen goods.

There are six firms manufacturing paper-makers' felts and jackets to-day in England, as follows: Joseph Porrits & Sons, Sunnybank Mills, Helmshore, Manchester, England; Porrits Bros. & Austin, Stubbins Vale Mill, Ramsbottom, Manchester, England; Samuel Porrits & Sons, Ramford Woolen Mills, Heywood, Manchester; James Kenyon & Sons, Derby Street Mills, Bury, Manchester, England; Thomas Hardman & Sons, Fernhill Mills, Bury, Manchester, England; Whitehead Bros., Royal George Mills, Saddlesworth Mills, Yorkshire, England.

They are organized as an association making only one uniform price to their home trade, never varying the same under any circumstances. Being only six they control the felt manufacturing in their home market, and have in several instances, by united action, wiped out all opposition that has started up to manufacture this special line of goods.

Their prices to their home customers are 6 pence, or 12½ cents, per square foot for their lighter weight or wet felts, and 1 shilling, or 25 cents, per foot for their heavier or press felts. Our price is 14 cents and 27 cents per square foot, delivered free of freight or express charges to our customers, which the English manufacturers do not do, but make the English paper-makers pay their own carriage. We give price per square foot, as the English prices are made that way to their home trade.

You also are aware that the felt manufacturers number eleven in this country and have no organization or agreement with each other in making one uniform price, but each manufacturer sells where and to whomsoever he can and at any price he chooses to make to the trade.

We also know that the English manufacturers sell their goods in this country at much less prices than they do to their home customers, figuring in the duty they are now paying on the goods they import here. Should free wool be decided upon and passed by this Congress, with no specific duty on goods, then a compensating or ad valorem duty of at least 60 per cent is absolutely necessary to enable us to compete with these six large firms in England, acting as one, for they make one uniform price for the American market, although different from the price they make for their home market.

We pay 90 per cent more for wages than they do in England. You may desire to learn how we know this fact. We answer by saying we have a superintendent that came with us the first of June from Joseph Porrits & Sons' mills, having grown up in their employ from a small boy until he became one of their most important superintendents, and he gave us the prices they were paying in these mills in England for warpers, loom-fixers, weavers, giggers, wool assorters, boss weaver, carder, fuller, and wool assorter, and young boys.

Yours, truly,

HUYCK & ARGERSINGER.

DRESS TRIMMINGS.

(Paragraph 398.)

NEW YORK, *September 21, 1893.*

SIRS: We wish to call your attention to the fact that these goods are composed of many different materials, and that, consequently, we have a great deal of trouble about paying duties. We have often had an article classified, say at 45 per cent, as being metal chief value, and the same article perhaps two weeks later will be classified again at 60 per cent, calling the glass chief value, and it also often happens the reverse. This makes it exceedingly difficult to know how to buy these goods in Europe, because it is impossible for us to tell how the duty will be determined when the goods arrive.

Our dress trimmings are not enumerated in the tariff, although they were formerly specified. The same conditions prevail in regard to the importation of buttons, which are often composed of two or three different materials, or even six.

We respectfully beg that you will consider the propriety of making all dress trimmings pay a uniform rate of duty, which, in our judgment, would be amply sufficient if made at the rate of 30 per centum ad valorem. We have had no difficulty about undervaluations by dishonest competition, except on goods where the duties were upwards of 30 per cent, never on goods at that or at a lower rate.

We send you also samples of buttons to show you, in a rough way, the difficulties which we meet with at the custom-house. This is not the fault of the appraisers. It happens constantly that they are in great doubt as to how the duties should be assessed. They make careful and painstaking analysis of samples, but as the prices for the component materials vary, and as the analysis is sometimes misleading, the result is unsatisfactory and frequently untrustworthy.

We should be glad to see one uniform rate of duty for all textile fabrics and manufactured goods of every description. It would save all trouble about the classification of goods, and would enable importers to buy wtihout the risk of uncertainty and having the duties changed by the scale of new and varied decisions which they are given by the appraisers.

We are manufacturers of dress trimmings, and we have no difficulty in competing with foreign goods on all such goods as are made in this country. We would be perfectly satisfied with a duty of 30 per cent on any goods which we manufacture.

The most troublesome part of the tariff is the weight duty on anything containing wool or worsted. We have frequently ordered goods in Europe which we supposed would be classified at 50 per cent duty, and the manufacturer has afterward used a glossy, fine mohair in place of silk, to give better effect. Then the goods would be classified at 60 per cent duty and 49½ cents per pound, and the result is that we always have lost money, and sometimes very largely, on goods containing any wool, worsted, or mohair.

As such goods are not made in this country for ladies' dress trimmings, or but very seldom made, we can not see any reason why we should pay any higher duty than on other trimmings.

We are debarred at present from importing any worsted or mohair braids, because the weight duty added to the ad valorem duty has made double duty on such goods as high, in some cases, as 175 per cent

ad valorem, and in no case have the duties been less than about 90 per cent, the latter being on the extremely fine goods, and the very high duty being always on the cheap goods.

If your honorable committee can do anything to simplify the tariff in making duties more uniform it will greatly relieve the importers and appraisers and it will diminish the inducement for undervaluation and fraud.

Yours, respectfully,

C. L. WOODBRIDGE & Co.

CARPETS.

(Paragraphs 399 et seq.)

SEPTEMBER 20, 1893.

STATEMENT OF HON. WILLIAM RYAN, A REPRESENTATIVE FROM THE STATE OF NEW YORK.

Mr. CHAIRMAN: Preliminary to the statement of the gentlemen who have come down here to represent the carpet industry I would like to say, as indicating the importance of the carpet industry, that it began in 1850 in the city of Yonkers, when it was commenced there by the late Alexander Smith with a force of six weavers, and it has grown on from that time until at the present day that establishment is the largest carpet manufacturing establishment in the world, as I have been informed, having a capacity of production of 43,000 yards of carpet per diem. They have made as much as that during the past year. This one establishment employs nearly 3,800 people. There are two other smaller establishments in the city of Yonkers employing 1,200 people. Of these 5,000 people 3,000 are women and children. The entire sums paid for wages in that city last year in the carpet industry aggregated over $3,000,000. When I speak of last year I mean previous to the first of July, 1893. The industry employs more than half of those engaged in all occupations in the city of Yonkers, which city is the largest in the valley of the Hudson between New York and Albany—being a city of about 35,000 population according to the last census. I might also state that since the establishment of this industry there has been but one strike in that industry. That strike occurred five years ago and was caused by influences altogether outside of the city of Yonkers. It was adjusted after a short cessation of work. The settlement was amicable to all parties and they have been running, up to the time of the commencement of the recent financial stringency, in a manner most satisfactory to all.

With these few remarks I will introduce Mr. Coyne, who has been a workingman in that branch of the carpet industry for twenty years or more.

STATEMENT OF MR. COYNE.

Mr. CHAIRMAN: I appear here as a wageworker, having worked at the carpet business for nineteen years, and during all that time I have had steady work until two months ago, when the works closed down and are still closed. About 5,000 people are out of work, and that means a loss in wages of about $400,000 to the people of Yonkers in the carpet manufactories.

Under the tariff that existed prior to 1890 we had steady work, and we worked during many seasons in the night until 9 o'clock. When I went to work for the Smith people in 1874 they had 300 employés, and they now have 3,800. At that time carpets sold at $1.65 a yard, while to-day they are selling at 62½ cents a yard. In 1881 the average wages paid to girls was $1.25, and for the month ending June 30 last the wages were $1.43, so that while the price of carpets had fallen since 1874 wages have increased.

In the city of Yonkers they make moquette carpet, and 90 per cent of all the moquette carpets made in the world are made at Yonkers. In 1881 moquette carpet sold at $1.55 a yard, and to-day the wholesale price is 90 cents a yard—a falling off of 65 cents per yard in price. Another grade, Axminster carpet, which is made there, sold in 1869 for $3 a yard, and to-day it sells at $1.90 a yard. So it will be seen that the price of the product has steadily decreased and wages have gradually increased. I will give you the difference in cost of labor in this country and the cost of labor in England. My only information as to the difference in cost in general of wages and labor was gotten while I was in the employ of the Smith Company, because I used to hire weavers, and on several occasions I hired girls from Scotland. On several occasions I asked them how much they got on the other side, and they told me that in their money it would amount to $3 a week, while in the Smith works they got $9.50 for weaving the same fabric. This shows an increase in wages of nearly 300 per cent in weaving alone. The mills are closed to-day, and I do not know why. I know that carpets are not selling. Whether the cause is to be attributed to the silver bill or an apprehension of tariff changes I do not know.

Mr. HOPKINS. For nineteen years the mills have never closed, you say, until a couple of months ago?

Mr. COYNE. That is right. I feel that if the tariff is to be left as it was previous to passage of the act of 1890 our mills would manage to run steadily.

Mr. TARSNEY. You say that the Yonkers carpet manufacturers produce 90 per cent of all the moquette carpets made in the world?

Mr. COYNE. Yes, sir.

Mr. TARSNEY. Not all used in the world?

Mr. COYNE. No.

Mr. TARSNEY. Do you export many carpets?

Mr. COYNE. We have never exported any carpets, but I understand they are looking to that.

Mr. TARSNEY. You say that 90 per cent of all the moquette carpets made in the world are made in this country?

Mr. COYNE. Yes, sir; they are made on a loom which has been patented. The patent expires next January. They are patented in Europe, and they have 400 or 500 looms running in England that pay a royalty.

Mr. TARSNEY. Perhaps that is the reason why none are made in other parts of the world.

Mr. COYNE. I should think so.

Mr. TARSNEY. That is prohibitory protection.

Mr. COYNE. I expect it is.

Mr. TURNER. Has the price of carpet declined all over the world?

Mr. COYNE. I should think so.

The CHAIRMAN. Has there been any improvement in machinery in that industry during the period you have mentioned?

Mr. COYNE. Yes, sir.

The CHAIRMAN. So that the labor of an operative produces a much larger result?

Mr. COYNE. Yes, sir.

Mr. HOPKINS. Do they work by piecework?

Mr. COYNE. Yes, sir.

Mr. HOPKINS. Can you determine whether they are paying more wages in this country for the same kind of work than they are paying abroad?

Mr. COYNE. They work by piecework here and work by piece abroad. We pay more here by the yard for weaving, considering the nature and quality of the work. Most of the machinery used in carpet-making comes from England. The machinery used in some factories comes entirely from England.

Mr. TURNER. What is the average rate of wages paid to women and children?

Mr. COYNE. It is $1.43 a day at present.

Mr. TURNER. What part of the work do they do?

Mr. COYNE. They do almost every part of it. I started in the business early, and I have gone all through the work. I was superintendent for nine years.

Mr. TURNER. Do you use jute foundation?

Mr. COYNE. Yes, sir. We buy the jute and dress it, and put the warp into bags.

Mr. TURNER. Are the laboring people prospering?

Mr. COYNE. Very much so. I know some women who own their own homes.

Mr. TURNER. What percentage of them own their own homes?

Mr. COYNE. I know of 10 or 12.

Mr. TURNER. Out of 3,800 employés you only know 10 or 12?

Mr. COYNE. I know 10 women. Out of the 3,800 I should say there would be one-third of the number who own their own homes.

Mr. BRECKINRIDGE. What is the principal article of manufacture the men work in?

Mr. COYNE. Tapestry velvet, tapestry brussels, and axminster carpets are the products of Yonkers mills almost entirely to-day. In the tapestry carpet there is about half a pound of wool.

Mr. BRECKINRIDGE. What kind of a carpet is the moquette carpet?

Mr. COYNE. It is a hard, tough fabric, that is woven on a loom that puts the tuck down in the face and the comb combs it up. It is not a shuttle, but a needle, loom. When we first started a girl would only run one loom, but now she runs two at a very much less rate of wages in cost.

Mr. TURNER. Do they pretty much all run two looms?

Mr. COYNE. Yes, sir; they have run three.

Mr. TURNER. You speak of moquette carpet selling for 90 cents a yard.

Mr. COYNE. Yes, sir.

Mr. TURNER. You did not mention any other price?

Mr. COYNE. That is the regular price. There is an extra grade called gobelin, which is a little finer. It sells at 15 cents a yard higher, but there is not very much of it made.

Mr. TURNER. Do they sell that cheaper?

Mr. COYNE. They do not now. It has never been sold for less than 90 cents. Two or three years ago they made a cheaper grade and sold it for $1.

Mr. TURNER. The general run is on the 90-cent carpet?

Mr. COYNE. Yes, sir.

Mr. TURNER. You say that a girl will now attend two looms?

Mr. COYNE. Yes, sir.

Mr. TURNER. What is your connection with this mill?

Mr. COYNE. I have no connection with it to-day, because it is stopped.

Mr. TURNER. You are perfectly familiar with this business?

Mr. COYNE. Yes, sir. I started a new mill nine months ago and was getting ready to manufacture carpets when this financial trouble came on and I had to close up.

Mr. TURNER. Is it customary for a girl to attend two looms in England, working on the same grade of goods?

Mr. COYNE. My information on that subject is rather limited, because their looms are limited to about twenty. I do not know just what they are doing over there. They have to pay a royalty on our looms, and have not many of them running.

Mr. TURNER. In Yonkers you use that kind of loom more in making carpets than they do in England?

Mr. COYNE. Yes, sir.

Mr. TURNER. Do I understand you to say that in England they only work about twenty of these looms?

Mr. COYNE. That is my information.

Mr. BRECKINRIDGE. How much is the weaver paid—by the pick or by the yard?

Mr. COYNE. They are paid by the yard.

The CHAIRMAN. Is it the square yard or running yard?

Mr. COYNE. The goods made in Yonkers are 27 inches wide. The wages are paid according to the grade—from 2½ to 4 cents a yard; the more work a girl does, the more she earns. Some make 10 yards and others will only make 7.

Mr. BRECKINRIDGE. How is it in England?

Mr. COYNE. It is about the same. A girl will only make about $3 a week.

Mr. BRECKINRIDGE. How much is paid there for the same grade of work?

Mr. COYNE. I am not familiar with English money, but I have hired a great many weavers. Those who come to Yonkers weave about as well as we do.

Mr. BRECKINRIDGE. You do not know how much they get per yard abroad?

Mr. COYNE. I have heard it, but I have not charged my mind with it. I have known them, after working awhile, go back and stay until their earnings were all gone. Out of the 3,800 people whom we employ we have about 800 French, English, and Scotch weavers.

Mr. BRECKINRIDGE. What do you advise us to do about this?

Mr. COYNE. As for myself, I have seen so much prosperity in the carpet business under a protective tariff that I do not see any good reason why it should be touched. When the American manufacturers first started in the business of making carpets the American public were paying prices which were made by foreign makers. This was the case until after 1860, and to-day, with home competition, we are selling carpets at 62½ cents a yard.

Mr. HOPKINS. It cost more to buy carpet of the foreigner?

Mr. COYNE. It cost very much more. I do not know exactly how much. Carpets were $1.25 a yard in 1874 and now they are only 62½ cents a yard.

Mr. BRECKINRIDGE. What kind of goods is this moquette carpet?

Mr. COYNE. It is soft pile. It is made from yarn of American wool.

Mr. BRECKINRIDGE. Do you not think it would improve the conditions of your business if wool was put on the free list?

Mr. COYNE. No, sir.

Mr. BRECKINRIDGE. You do not think it would?

Mr. COYNE. No, sir.

Mr. BRECKINRIDGE. Why not? Have you conferred with the proprietors about this?

Mr. COYNE. In the State of New York we use only about half a pound of wool to the yard.

Mr. BRECKINRIDGE. It is not washed?

Mr. COYNE. We can not use unwashed wool. We buy it, and wash it, and scour it.

Mr. BRECKINRIDGE. You have to thoroughly clean it before you use it? When you say you use half a pound, you mean the wool in the clean state?

Mr. COYNE. Yes, sir. And the ingrain men use about a pound and one-fourth. To-day we make a low grade of carpet which is selling in competition with the ingrain. When they use that much wool we would not be in it with them with wool on the free list.

Mr. BRECKINRIDGE. You think their fabric would drive you out?

Mr. COYNE. Yes, sir. In the State of New York the American public would be able to buy ingrain carpet for less money than they do to-day.

Mr. BRECKINRIDGE. What is that ingrain carpet worth, say at wholesale?

Mr. COYNE. I could give you about the figures. They vary. Ingrain carpet to-day would be worth about 50 cents a yard; that is the wool ingrain.

Mr. BRECKINRIDGE. That is a very much inferior grade to yours?

Mr. COYNE. That is a matter of opinion.

Mr. BRECKINRIDGE. It is all wool. Has it anything like the lasting quality?

Mr. COYNE. Yes, sir; I think it has. It is just as good. It is not quite so showy. Tapestry carpet is an imitation of Brussels carpet.

Mr. BRECKINRIDGE. You think free wool would help the ingrain-carpet industry rather than hurt it?

Mr. COYNE. Yes, sir. He is a home manufacturer, and we do not ask that he shall be discriminated against at all.

Mr. BRECKINRIDGE. I have here some extracts from a paper which probably Mr. Hopkins will indorse. Do you know a journal called the Sherman Upholstery Carpet Trade Leaf?

Mr. COYNE. Yes, sir.

Mr. BRECKINRIDGE. Is it a responsible publication?

Mr. COYNE. So far as I know.

Mr. HOPKINS. You do not know it well enough to give it a character here to-day?

Mr. COYNE. No, sir.

Mr. BRECKINRIDGE. Do you know of any more responsible trade journal?

Mr. COYNE. No, sir.

Mr. BRECKINRIDGE. It is a responsible publication, is it not?

Mr. COYNE. Is it published in Philadelphia or New York?

Mr. BRECKINRIDGE. It is published in New York. Do you know the firm of Alexander Smith & Son?

Mr. COYNE. I do.

Mr. BRECKINRIDGE. That is the firm you have been talking about?
Mr. COYNE. Yes, sir.
Mr. BRECKINRIDGE. It is the largest carpet manufacturing establishment in the world, is it not?
Mr. COYNE. Yes, sir.
Mr. BRECKINRIDGE. Do you know Mr. Englar?
Mr. COYNE. Yes, sir.
Mr. BRECKINRIDGE. I see that that gentleman has gone over to Europe?
Mr. COYNE. Yes, sir.
Mr. BRECKINRIDGE. As a representative of this firm with a view of establishing an agency for the sale of moquette?
Mr. COYNE. Yes, sir.
Mr. BRECKINRIDGE. I suppose he has the well-founded hope that the American manufacturers may be able to sell moquette carpets abroad?
Mr. COYNE. Yes, sir.
Mr. BRECKINRIDGE. It would be to your interest, other things being looked after, to be able to get your materials cheaper and thereby enjoy the foreign as well as the domestic trade?
Mr. COYNE. We have never been able to supply the domestic trade. We have just been able to supply that trade and that is all. Another factory started last year. Every manufacturer I know has been running his looms constantly, almost, fifteen or sixteen years.
Mr. BRECKINRIDGE. Is not there a large sale in New York for these goods?
Mr. COYNE. Yes, sir; all are sold.
Mr. BRECKINRIDGE. Therefore there was not an overproduction.
Mr. COYNE. I do not so regard it. The market absorbs them all, whether by auction or legitimate sales. There is this about it, however, the trade goes by seasons, fall and spring. If the goods are on hand in the fall they sometimes send them out for sale by auction, but it does not always follow.
Mr. BRECKINRIDGE. I see there are large auction sales?
Mr. COYNE. Yes, sir. They generally sell at good prices.
Mr. BRECKINRIDGE. They sold at 80 cents?
Mr. COYNE. Yes, sir. Those are made under a patent which expires upon the 17th of January next.
Mr. BRECKINRIDGE. That is one of the reasons stated here how this has gone to Europe?
Mr. COYNE. They are in a good position, having spent $6,000,000. Nobody else could get in there. I know that to be so.
Mr. BRECKINRIDGE. You would consider it advantageous to increase the demand for your carpet in that way, would you not?
Mr. COYNE. Yes, sir.
Mr. BRECKINRIDGE. And to increase the number of countries that you could have access to?
Mr. COYNE. We have access to all countries to-day if we want it.
Mr. BRECKINRIDGE. To the extent that you have to pay higher prices than other people for your wool your access to other countries is limited?
Mr. COYNE. All our raw materials come from Europe. We are just as well off as if it was free. It is simply a question of interest on capital.
Mr. BRECKINRIDGE. I suppose you know of this provision in the tariff laws allowing a rebate on the materials used in home-made goods

which have been sent to a foreign market. I believe that the Smith Company is not certain it would be of any material advantage to it.

Mr. COYNE. An explanation of that is found in the dillydallying manner in which the Government has treated applications of manufacturers for rebate. We know of one case in which a request for rebate was made six months ago, and it has not been paid yet.

Mr. BRECKINRIDGE. If there is a rebate your advantage consists in being able to get it?

Mr. COYNE. Yes, sir.

Mr. DALZELL. It seems that under this administration it is hard to get back what the law gives you?

Mr. COYNE. Yes, sir. I would like to make clear to the committee the fact that while the price of carpet has steadily decreased, wages have increased.

Mr. BRECKINRIDGE. That is reasonable.

Mr. HOPKINS. I hope you will make that clear, so it will go into the record.

Mr. COYNE. In 1874 the wholesale price of tapestry carpet was $1.25 per day and the average price of wages for weavers and girls was $1.22. In 1893 the same goods sell for 62½ cents a yard, and the wages are $1.43. In 1882 the price of moquette carpet was $1.55 a yard, in 1893 its price is 90 cents a yard. In 1869 the price of Axminster carpet, which is pretty nearly the same kind of carpet as a moquette, but a little heavier goods, sold for $3.50, and in 1893 the same sells for $1.90 a yard. In starting a carpet manufacturing plant there are a great many things connected with it, such as carding, spinning, dyeing, printing, machinery, and other things which are hard to organize. In some instances mechanics can be secured in a well-established place who will make carpets at a less labor cost than they can in new concerns, which are thereby placed at a disadvantage.

Mr. BRECKINRIDGE. You have cited the price and wages for moquette carpet; how many yards of carpet of this kind could a girl weave formerly?

Mr. COYNE. Twenty to twenty-four yards.

Mr. BRECKINRIDGE. How many yards of carpet will a girl weave at the present time?

Mr. COYNE. From 40 to 60 yards.

Mr. BRECKINRIDGE. Her production has increased largely over 100 per cent, and therefore it is proper that her wages be increased.

Mr. COYNE. That is right. That girl is working to-day for $1.43 per day; she learns to do that work in from two days to a week. In any other industry she would not make over $1.12 a day in Yonkers.

Mr. HOPKINS. The increased production is the result of improved machinery, which comes from the exercise of American ingenuity.

Mr. COYNE. That is right.

Mr. BRECKINRIDGE. Has there been much change in the cost of dyeing during that period?

Mr. COYNE. Yes, sir.

Mr. BRECKINRIDGE. So that there has been a change in the cost of production all along the line?

Mr. COYNE. Yes, sir.

Mr. HOPKINS. But that comes from improved machinery.

Mr. COYNE. It comes from American ingenuity in devising machinery to do that work.

Mr. BRECKINRIDGE. This loom of which you speak as being used in this moquette industry is an English loom?

Mr. COYNE. No, sir; it is an American loom.

Mr. HOPKINS. That was invented by an American boy who came from the farm.

Mr. COYNE. Yes, sir; it has been patented in England and France.

Mr. BRECKINRIDGE. Is it your opinion that the tariff was the cause of its invention?

Mr. HOPKINS. It would not have been invented if the boy had been kept on the farm.

Mr. COYNE. If we had not had protection we would not have had a factory; and, therefore, we would not have had any use for the invention.

Mr. BRYAN. You do not agree with the old adage then that necessity is the mother of invention?

Mr. COYNE. Not altogether.

Mr. BRYAN. You would not say the less the necessity the greater the invention?

Mr. COYNE. No, sir.

Mr. DALZELL. With your improved methods you have had the home market of 65,000,000 of people to supply?

Mr. COYNE. Yes, sir.

Mr. DALZELL. Do not you think that is an incentive to invention?

Mr. COYNE. The American people, I am told, are the largest consumers of carpets in the world. When this was invented the stock of Crosley's concern in England was sold on the exchange in London, and at that time it paid 25 per cent. Some of our workmen own some of the stock. To-day that stock does not pay more than 4 or 5 per cent and sometimes they pass the dividends.

Mr. BRECKINRIDGE. You spoke of this loom not being a shuttle loom, but a needle loom.

Mr. COYNE. Yes, sir.

Mr. BRECKINRIDGE. On what kind of a base do you build this carpet?

Mr. COYNE. It is built on a base of jute. The back is jute, the warp is cotton, and the face is wool. We use a small quantity of linen thread for the selvage.

Mr. BRECKINRIDGE. The linen is a small factor.

Mr. COYNE. Yes, sir.

Mr. BRECKINRIDGE. Jute, cotton, and wool are the principal factors?

Mr. COYNE. Yes, sir; I could give you the weight.

Mr. BRECKINRIDGE. How much will a yard weigh?

Mr. COYNE. Two pounds and a little over.

Mr. BRECKINRIDGE. How much of that would be wool?

Mr. COYNE. It would be a pound and a quarter of wool, three-fourths of a pound of jute, and about 4 ounces of cotton with a trace of linen. In 16,000 yards you would not use a pound of linen.

Mr. BRECKINRIDGE. Are all widths substantially the same?

Mr. COYNE. Yes, sir; there is the same weight for the same fabric.

Mr. BRECKINRIDGE. Is not dye quite a factor?

Mr. COYNE. It is in moquette, Brussels, and ingrain. Tapestry are printed. Moquettes are solid dye colors.

Mr. BRECKINRIDGE. How much does it cost to dye a yard?

Mr. COYNE. In England I should say it would be about 2 cents.

Mr. BRECKINRIDGE. How much in this country?

Mr. COYNE. About the same.

Mr. BRECKINRIDGE. So that the cost of dyeing is not a large factor?

Mr. COYNE. Not now. It used to be. It can be done by machinery now. It used to be as high as 9 cents a yard.

Mr. BRECKINRIDGE. Is the cost of dyestuff a material factor?
Mr. COYNE. I am speaking of labor when I say 2 cents.
Mr. BRECKINRIDGE. How much would be the cost of the dye?
Mr. COYNE. Four or five cents a yard.
Mr. BRECKINRIDGE. What kind of dye do you use principally?
Mr. COYNE. We use analine dyes.
Mr. BRECKINRIDGE. You are now speaking of moquette carpets?
Mr. COYNE. Yes, sir; so far as importations go it is true of all. I have said that from 1870 to 1880 we had to work until 9 o'clock at night to fill the American demand, and I knew of one factory to have night and day shifts in order to keep up with their orders. We have no overproduction in this country. At the present time I do not believe there is anybody at work. All are shut down.
Mr. BRECKINRIDGE. Is yours the only firm in this country making moquette to-day?
Mr. COYNE. There are some made at Hartford, Conn. The looms are paying a royalty to these patentees. They do not cut much of a figure in the trade, however.
Mr. BRECKINRIDGE. Your patents expire pretty soon?
Mr. COYNE. Yes, sir; next January.
Mr. HOPKINS. Do you know how much capital is invested in the industry?
Mr. COYNE. I know in a general way.
Mr. HOPKINS. What is it in New York alone?
Mr. COYNE. About $30,000,000 in manufacturing alone. In selling there are $15,000,000 more invested. They are selling on four months' time.
Mr. HOPKINS. There are about $45,000,000 invested in this industry in New York in the manner you have indicated; how many employés are engaged in that directly in the State of New York?
Mr. COYNE. I should say about 20,000 people in the State of Now York.
Mr. HOPKINS. If I understand you correctly, you say the average wages would be about $2 per day each?
Mr. COYNE. Yes, sir; skilled and unskilled. That would include designers, machinists, and mechanics. There are $3,000,000 a year paid out in Yonkers in wages.
Mr. HOPKINS. If these mills continue to be shut down it will mean a decrease of the purchasing power of 20,000 people to that amount.
Mr. COYNE. They are really in a destitute condition. Many of them are in a bad shape. Some can stand it and they were not prepared for this. The carpet factory had been running steadily and had never been stopped except in one case where they had a short strike.
Mr. HOPKINS. The laborers were not prepared for this?
Mr. COYNE. No, sir; it came upom them like a clap of thunder. Some of them owned homes and had mortgages on them. Others could not get their deposits out of the bank without thirty days' notice. The New York Herald had an article about that.
The CHAIRMAN. I understand you to say there is a pound and a half of wool in that carpet?
Mr. COYNE. There is about a pound and a quarter.
The CHAIRMAN. Is that a running yard or a square yard?
Mr. COYNE. The carpet is a yard wide by 27 inches.
The CHAIRMAN. Do you know what the manufacturer gets in the way of compensation for the wool he puts in a yard of moquette carpet?

Mr. COYNE. No, sir; I have not looked it up. I think it is 40 per cent ad valorem.

The CHAIRMAN. He gets the tariff on about 5 or 6 pounds of wool which he is supposed to put into a yard of carpet and the 40 per cent ad valorem is the protection against foreign competition. That is the way the bill was made up. Why is it that wages are so much higher in New York than Massachusetts?

Mr. COYNE. I do not know why it is. Most wages are higher in New York. Our manufacturers say it costs them a little more than it costs elsewhere.

The CHAIRMAN. It seems to be greater. You say the average wages for skilled and unskilled labor is $2 per day?

Mr. COYNE. Yes, sir.

The CHAIRMAN. In Massachusetts, according to the official statistics for 1890, it was but $365 a year—a little more than $1 a day for each employé?

Mr. COYNE. Yes, sir.

The CHAIRMAN. What did you say was the selling price of a yard of moquette carpet?

Mr. COYNE. Ninety cents.

The CHAIRMAN. Add one-fourth to that and it would be $1.12½.

Mr. COYNE. Yes, sir.

The CHAIRMAN. What is the amount of labor per yard in moquette carpet, if you have considered that question?

Mr. COYNE. I have not considered that. It varies from time to time according to the production. There are so many different processes in manufacturing moquette carpet that the labor cost depends almost entirely upon the production. For instance, if you had a pay roll of $100 a day and you are making 1,000 yards of moquette carpet, I would say that your labor cost for that day would be 10 cents. If you were producing 500 yards it would be 20 cents. The larger the business the less it costs. It depends upon the size of the concern.

The CHAIRMAN. It varies between 10 and 20 cents a yard?

Mr. COYNE. I do not say that the moquette carpet can be produced for 10 or 20 cents a yard for the labor. I can not answer that question exactly because I am not prepared to do so.

The CHAIRMAN. If the report containing the Massachusetts statistics of manufactures is correct you need protection against the cheap labor of Massachusetts, do you not?

Mr. COYNE. Really, Massachusetts does not make any of the carpets which we do. They make ingrain, mostly, in Massachusetts. We do not make those.

The CHAIRMAN. Is there any reason why labor should be cheaper in making ingrain than in making moquette?

Mr. COYNE. I do not know that it should be any cheaper, but there is a difference. I know of girls who have worked for $1 a day in the silk business. Those working in the carpet business are getting $1.80 per day.

The CHAIRMAN. I find that in Massachusetts the average wages for a male dyer was $1.08 per day, and in New York it is $1.58. In Massachusetts the average wages of a male finisher is $1.05 a day and in New York $1.50 a day.

Mr. COYNE. We pay $1.75 a day for that.

The CHAIRMAN. In some lines the wages in Great Britain are higher than the wages in Massachusetts. The printer in Massachusetts gets $1,08 and in great Britain he gets $1.13, in New York he gets $1.73,

Mr. COYNE. That is just about what I pay—$1.70 to $1.80. I have one man working for me to-day who did the same kind of work in England and got less than a pound and not steady work. He came over here and went to work on the same machine, getting about double the wages. That man would not work here for less.

The CHAIRMAN. Let us calculate what would be the ordinary rate on a yard of moquette carpet. It is 60 cents per square yard to start with. It is three-quarters of a yard wide?

Mr. COYNE. It is 27 inches wide.

The CHAIRMAN. That would be 45 cents to start with and 40 per cent ad valorem for the wool. You say it sells for 90 cents a yard?

Mr. COYNE. It has sold as high as $1.55.

The CHAIRMAN. When?

Mr. COYNE. It was $1.55 a yard in 1882.

The CHAIRMAN. That was eleven years ago.

Mr. COYNE. It has been $1.25 within three years.

The CHAIRMAN. Wool was worth more then than it is now?

Mr. COYNE. I am not familiar with that.

The CHAIRMAN. There are other materials?

Mr. COYNE. I am familiar with all the materials except wool. I buy all the other materials.

The CHAIRMAN. Materials are cheaper now than they were three years ago?

Mr. COYNE. No, sir. I can buy foreign jute for less money than I can buy home jute.

The CHAIRMAN. What I am trying to get at is the existing tariff on a yard of moquette carpet. If there is 45 per cent specific duty and 40 per cent ad valorem. Say it was a dollar, you would have 85 cents tariff protection under the existing law on a yard of moquette carpet. Is there anything like 85 per cent difference between wages paid in England and the wages paid in New York in making a yard of moquette carpet?

Mr. COYNE. I should say not.

The CHAIRMAN. Is there 40 cents a yard difference?

Mr. COYNE. Really I do not know whether they make moquette carpet over there. I have never seen a piece. I have yet to see the first piece. The loom is an American invention. Whether they make it over there I do not know. I am engaged principally in tapestry and velvet, and upon that subject I am pretty well qualified to answer.

The CHAIRMAN. What is the tariff on tapestry?

Mr. COYNE. Twenty-eight cents, I understand.

The CHAIRMAN. That is on tapestry Brussels, which is the kind you are making?

Mr. COYNE. We are making tapestry velvet.

The CHAIRMAN. How much wool is there in a yard of the W and T?

Mr. COYNE. That is printed goods.

The CHAIRMAN. The manufacturer gets a compensating duty for nearly 4 pounds of wool. He does not put 4 pounds into the carpet.

Mr. COYNE. There is a shrinkage of 30, 40, or 50 per cent in that wool.

The CHAIRMAN. Allowing for that shrinkage it would make less than 2 pounds of wool?

Mr. COYNE. Yes, sir.

The CHAIRMAN. What does that sell for now.

Mr. COYNE. According to the grade—80 cents to $1. It is woven over a wire and the size of the wire regulates the price of the goods.

The CHAIRMAN. On a square yard of that carpet the duty is first 40 cents per square yard and 40 per cent ad valorem, and a square yard would sell at the highest rate for $1.25.

Mr. COYNE. Yes, sir.

The CHAIRMAN. Forty per cent ad valorem on that $1.25 is 60 cents?

Mr. COYNE. Yes, sir.

The CHAIRMAN. You begin with 40 cents and 60 cents. Do you think it is anything like the difference of $1 between what is paid in England in wages and what is paid in New York in making a square yard of that carpet?

Mr. COYNE. There is a difference of 200 per cent, and besides that there are expenses for carriage and handling.

The CHAIRMAN. That makes the protection so much more, because the Englishman has to send the carpet over here.

Mr. COYNE. He gets rid of the bulk.

The CHAIRMAN. He has more to pay on that?

Mr. COYNE. I do not see that he has. The wool is in his market and we have to buy the wool in Liverpool.

The CHAIRMAN. That is, when you buy foreign wool?

Mr. COYNE. We use foreign wool almost altogether.

The CHAIRMAN. Have you any idea that there is a dollar's difference in the wages in a square yard of carpet in this country and in England?

Mr. COYNE. That carpet would sell for 90 cents.

The CHAIRMAN. There is not a dollar's worth of labor in it?

Mr. COYNE. Not when the material and labor is 78 cents.

The CHAIRMAN. What, in your judgment, is the labor cost of a dollar's worth of velvet tapestry carpet; what is the cost of a yard of it?

Mr. COYNE. It depends entirely upon the size of the wire. It used to cost me 36 cents a yard to make a yard of tapestry carpet, and I finally got it down to 22 cents a yard, and perhaps if I could get started up again I could make it for less.

The CHAIRMAN. You want us to give you 40 per cent protection on a square yard of that carpet, which cost you in labor only $1?

Mr. COYNE. Under the tariff prior to the act of 1890 the carpet mills of this country were started in almost every Eastern State. They have been increasing plants and building and have stopped buying on the other side. They have all been running. That was the condition we had in Yonkers two months ago, and I have come here to-day to ask you to put us back where we were, if you can do it. That will let us have work.

Mr. HOPKINS. You buy unwashed wool that goes into the moquette carpet. After you buy it what do you do with it before using it, in the making of a yard of carpet?

Mr. COYNE. It is assorted, picked over and scoured, and made into yarn. There is a large percentage of waste, because it is unwashed wool.

Mr. HOPKINS. What you pay then is 15 cents per pound of wool and when you clean it and put in a condition that feature does not amount to much?

Mr. COYNE. No, sir.

Mr. GEAR. That makes a pound of wool cost you about 30 cents?

Mr. COYNE. Yes, sir; and the duty must be added to that.

Mr. BRECKINRIDGE. You have to pay the duty?

Mr. COYNE. We do. I have not bought any wool since I have been in business.

Mr. BRECKINRIDGE. Now, you ask us for relief.

Mr. COYNE. Yes, sir; I think if you will leave the tariff as it was prior to the passage of the McKinley act so that we can have something left and give the carpet makers and manufacturers some assurance that you will not change it, we will then know what we can do. On the wool we have, we have paid the duty and it is tied up more or less. There would be difference in turning it into carpet.

Mr. BRECKINRIDGE. Do you think the pending depression is due to impending tariff changes?

Mr. COYNE. I think that the retail dealers feel to-day that so long as there is a chance of having free wool they will hesitate in buying carpet.

Mr. BRECKINRIDGE. Do you not know that in every tariff bill that has passed there has been a provision specifying the date when the wool schedules should go into operation?

Mr. COYNE. I know that, but under the present conditions the carpets were made six months ahead. That is the case with tapestry, Brussels and moquette. The goods we offer for sale for the fall of 1893 we begin to make about April, and we do not send them to the consumer until along late in the fall, so that really we are carrying them in stock six months in a year.

Mr. BRECKINRIDGE. Do you not know that that has been taken into consideration in the framing of a bill?

Mr. COYNE. I think it would a fair thing to do.

Mr. BRECKINRIDGE. I think it would be well for you to submit a statement suggesting a date when free wool ought to apply if it is to be adopted. Give us the date at which you think it could be adopted without injury to your products.

Mr. COYNE. I think we should be allowed a year and a half.

Mr. BRECKINRIDGE. Do you know Mr. Warren T. Smith?

Mr. COYNE. Yes, sir.

Mr. BRECKINRIDGE. He is a pretty good kind of a man, is he not?

Mr. COYNE. I should judge he was.

Mr. BRECKINRIDGE. He was talking recently of the tariff and the hard times in the carpet trade, and he said:

> I must say I do not think the tariff change or the impending tariff change is responsible for the present condition of affairs.

Mr. COYNE. I myself voted for the change.

Mr. HOPKINS. How does the change suit you?

Mr. COYNE. Well, you see me here to-day. That is the best answer I can give. I do not think the tariff was the only question that entered into that business last November. I thought we ought to have a change and we got it with a vengeance. [Laughter.]

Mr. HOPKINS. With your present information, if you had that over again how would you act?

Mr. COYNE. I think I would do the same thing.

Mr. HOPKINS. Then you rather enjoy it?

Mr. COYNE. In a measure.

Mr. BRECKINRIDGE. I do not believe you will be hurt by the change?

Mr. COYNE. Oh, yes; I am already hurt, for I am out of work.

Mr. BRECKINRIDGE. If this was due to the silver law you were aware that that act has not been enacted since the election?

Mr. COYNE. I think myself that the silver law had more to do with that than the tariff did. I think that among the manufacturers there is an unsettled feeling as to what is going to be done. If you could give us some assurance of what is going to happen I think we would be better satisfied.

Mr. BRECKINRIDGE. If you knew you were going to get free wool and plenty of work you would not be afraid to take orders?

Mr. COYNE. If I thought we were going to have free wool, I would not know what to do. The ingrain carpet men have free wool.

Mr. BRECKINRIDGE. You have a skeleton in the closet in the shape of the ingrain man?

Mr. COYNE. I have nothing against the ingrain man because he is an American manufacturer. I would have to go to making ingrain.

Mr. BRECKINRIDGE. Could you do that without loss?

Mr. COYNE. It would be a great loss.

Mr. GEAR. What would be the expense of a loom?

Mr. COYNE. The skeleton loom is worth about $600 or $700.

Mr. GEAR. You would have to throw yours away?

Mr. COYNE. Yes, sir.

CARPETS.

(Paragraph 399 et seq.)

STATEMENT OF SAMUEL HOWORTH, OF YONKERS, N. Y.

Mr. CHAIRMAN: I suppose I ought not to apologize to you for coming before you as a worker who has been in the factory for forty-three years, thirty-two years on the other side and eleven years on this side. Perhaps I can say one or two things which might have some little influence with you on this tariff question. That, in my mind, is the cause of the present stoppage of the mills. I think that it is the tariff, or the fear of meddling with the tariff which is the cause of the present depression. From what I know myself of the prices paid on the other side and the prices paid here, I think that if we had free trade, or anything approaching free trade, our firm would have to close, because a workingman could not work for the prices the workingmen are getting on the other side to-day. All our laws, both municipal and national, are based on the protective principle, and it would take a good long while to adjust ourselves to free trade or anything approaching it. I came to this country eleven years ago a pronounced free trader. On the other side of the water I was a laborer. I was an out-and-out free trader and a follower of Mr. Gladstone. When I came here I held on to that idea, but by and by I found that wages here were out of all proportion to what they were on the other side. I began work forty years ago as a doffer. The principal items of cost entering into the manufacture of carpet is spinning, weaving, dyeing, and finishing. These are all large items. I began to work for the sum of 30 cents per week. I worked only half a day, and the other half I went to school. I had to pay the sum of 4 cents for school books. Since that time I have been in charge of help for more than twenty years—what you call section hand—and I know that the wages paid for that class of help is good. The kind of labor you would obtain here, perhaps, for $3 a day you could get on the other side for $1. A man in my position would get over there perhaps $5 per week to start with and would be advanced by degrees up to $7 or $8 a week. Since I have been in my present position I have received $13.50 a week.

The CHAIRMAN. Thirteen dollars and fifty cents a week as against $5 on the other side?

Mr. HOWORTH. Yes, sir. It is a rule abroad that a beginner must

commence at low wages and gradually go up. Whenever a boy or girl goes into that work, he or she gets a certain amount. So long as they work at the particular piece of work they will not get any more. That system runs all through the spinning and printing; with the weaving, of course, it is different. In weaving it is so much per yard. It is also the same with settling and finishing; that is skilled labor which enters very largely into the cost of the carpet or other kind of labor, such as machinists, plumbers, and engineers. I am in correspondence regularly with people on the other side and I am receiving papers from John Crossley & Sons. That was where I worked as an apprentice in carpet-printing. While I was being paid $9 a week here they were not getting more than $5 over there. Some of them are working for 15*s*. a week, which is not quite $4. They get 15*s*. to 18*s*. per week. In the last paper which I received from England I saw a list of prices for skilled labor. The wages scale over there has been readjusted recently and the prices under the present readjustment is only about $4.80 a week. That is in London, where prices ought to be a little more. It costs more to live in London than it costs to live in the provinces. I know also that since I came here they do not work steadily on the other side. When I first came here I had to work overtime, sometimes until 8 or 9 o'clock at night. We have had steady work until this last stoppage. This is the only time within my recollection in the last ten years that we have not had steady employment. I used to wonder why they were so anxious to get this class of American carpets and I could not tell where all the carpet was used. Some gentlemen asked about the use of carpets here and at home. They do not use much carpet on the other side. On the other side the home of the workingman has a stone floor and you could not put a carpet down on it. When I was a boy about the only carpet we had was sand scattered on the floor. This is about as high as workingmen get over there. He can not put down Brussels or tapestry carpet, even if he had them, on account of the stone floor. That accounts for the difference in the consumption of carpets in this country and in England.

Mr. GEAR. Do you not find that the ability of the operator to procure the comforts of life are much greater here on account of the good wages?

Mr. HOWORTH. My experience is that the operator here both lives better and is housed better than on the other side, and that is due entirely to the better wages he receives.

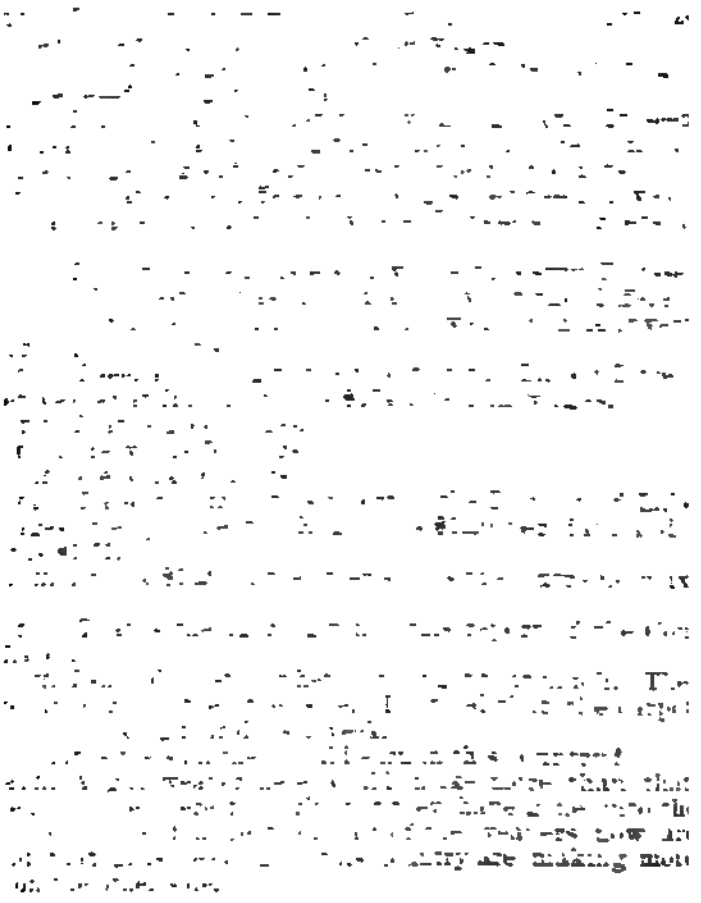
Mr. GEAR. You would not like to make a change?

Mr. HOWORTH. No, sir; I would not like to go back to a free-trade basis because it would take long to get adjusted to it. On the other side everything is adjusted and settled on that basis. It would take us a number of years to get to that basis.

Mr. HOPKINS. What effect would it have on the laboring people of this country if we should have free trade?

Mr. HOWORTH. I should think it would be worse than the workingmen on the other side. To begin with, the manufacturer here has still got his plant and his building and has paid for them at protection prices and naturally he would expect an interest on that price. Everything in our cities here is based on a protection basis. We see our policemen more than double what they do on the other side. In a little city of 35,000 the policemen of Yonkers are paid more than double of what they are paid on the other side.

Mr. GEAR. Do you think that a material reduction of the tariff would shut up the mills in this country?



CARPETS.

(Paragraph 29 et seq.)

STATEMENT OF EDWARD BURKE.

WAS: I have been at work in the carpet industry in thi
leven years. During that time I have had plenty of wor
s I have had to work at night. Work has been so stead
es I could not get a day off. I do not really know wh
the sudden suspension of work is. I am not acquaint
ff or anything else in that respect, because I am only
I have made $2 a day, and when I was overtime I h
as $2.50 a day. I have sisters work in the mill
they have made as high as $10 and $ [illegible] a week.
f work, and we can not say what the cause
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re better acquainted with that question

can say is that we want this able body of men of the Committee on Ways and Means to help us. If they can do that we will be satisfied.

The CHAIRMAN. We will try to help you.

CARPETS.

(Paragraph 399 et seq.)

STATEMENT OF MR. ALLEN AINSWORTH.

Mr. CHAIRMAN: I have worked at the carpet business for about seventeen years. I can say that I have always had good work. I have always considered that I was doing well when I could get a day off once in awhile until the present depression came on. I do not know that I can say anything more than has already been said.

Mr. HOPKINS. Is there a feeling among you workingmen that if the Democratic party leaves the tariff alone you would get along and get good wages?

Mr. AINSWORTH. Yes, sir.

The CHAIRMAN. That is the feeling among the Republican workingmen?

Mr. AINSWORTH. It is the feeling among the workingmen generally.

Mr. HOPKINS. Republicans as well as Democrats?

Mr. AINSWORTH. We have had plenty of work with protection for twenty years.

Mr. HOPKINS. You have always had plenty of work until this Democratic administration came into power?

Mr. AINSWORTH. I do not know about that being the cause. It is the lack of confidence.

Mr. COCKRAN. Is not the difficulty in getting money necessary to carry on business?

Mr. AINSWORTH. I could not say about that.

Mr. HOPKINS. What do you workingmen want? Do you want the article in which you work put upon the free list or do you want the duty to remain as it is?

Mr. AINSWORTH. We would rather have the tariff left as it is.

Mr. HOPKINS. Why?

Mr. AINSWORTH. Because we think it would do us more good than to take the tariff off.

The CHAIRMAN. What you want is plenty of work at good wages?

Mr. AINSWORTH. Yes, sir.

Mr. COCKRAN. Do you not think it would be better for you to have two employers competing for your labor, or do you think it would be better for you to have two men looking for the same job?

Mr. AINSWORTH. If I had two men looking for me I would take the best job.

Mr. COCKRAN. How would it be if you and the other man were looking for the same job?

Mr. AINSWORTH. Then I would go after the man who had the job to give out.

Mr. COCKRAN. Do you not think that the average protected industry is protected enough?

Mr. AINSWORTH. There are a good many people protected who ought not to be.

Mr. COCKRAN. Do you think we could winnow them out?

Mr. AINSWORTH. No, sir; they have got to live. This is a new country. In England and Scotland and every place in the old country the smaller places have streets. If a man buys property in Youkers he must go to work and build streets.

Mr. HOWORTH. I do not know what they would do in that case. They would either have to shut up or adjust the wages.

Mr. GEAR. Would not a large number of the operators have to go to doing something else—farming, for instance?

Mr. HOWORTH. I do not know what they would go at. It seems there is a good deal of complaint among the farmers who are complaining that they are not getting sufficient prices for their products.

The CHAIRMAN. What is the difference in wages between a weaver at Halifax and a weaver in Antwerp, where Brussels carpets are made?

Mr. HOWORTH. I don't weave Brussels; I weave tapestry Brussels.

The CHAIRMAN. My question was, do you know what the difference in wages would be for a weaver in Halifax and a weaver in Antwerp?

Mr. HOWORTH. I could not say.

The CHAIRMAN. I see, according to the report of the Labor Bureau, that the carpet-weaver at Halifax makes $374 a year in wages.

Mr. HOWORTH. That is good wages.

The CHAIRMAN. He works 56 hours.

Mr. HOWORTH. We work 60 hours.

The CHAIRMAN. I also find from this report of the Bureau of Labor the average wages of employment in England is $1.20 per day, and in this country it is $1.51.

Mr. HOWORTH. I think $1.20 on the other side is the extreme maximum.

The CHAIRMAN. That is the figure given in this report of the Commissioner of Labor.

Mr. HOWORTH. I should question whether they got that much. They are getting steady work on the other side. I noticed that the carpet-workers were only working four days a week.

Mr. GEAR. What is the sum they would earn in this country?

Mr. HOWORTH. A girl weaver here would make more than that. They used to employ men here formerly, but they have gone into the employment of women and more than half of the weavers now are girls. We find that girls weaving in this country are making more than the men on the other side.

CARPETS.

(Paragraph 399 et seq.)

STATEMENT OF EDWARD BURKE.

Mr. CHAIRMAN: I have been at work in the carpet industry in this country for eleven years. During that time I have had plenty of work and sometimes I have had to work at night. Work has been so steady that sometimes I could not get a day off. I do not really know what the cause of the sudden suspension of work is. I am not acquainted with the tariff or anything else in that respect, because I am only a workingman. I have made $2 a day, and when I work overtime I have made as high as $2.50 a day. I have sisters working in the mills at Yonkers and they have made as high as $10 and $10.50 a week. We are now out of work, and we can not say what the cause is. It may be due to the tariff or it may be due to the money stringency. Some gentlemen here are better acquainted with that question than I am. All I

can say is that we want this able body of men of the Committee on Ways and Means to help us. If they can do that we will be satisfied.

The CHAIRMAN. We will try to help you.

CARPETS.

(Paragraph 399 et seq.)

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MATS AND RUGS.

[Paragraph 408.]

NEW YORK, *September 20, 1893.*

SIR: The industry I represent has been in existence seven years for the purpose of manufacturing handsome rugs and carpets in one piece of any size, shape, design, or coloring. We found much up-hill work before us, on one hand the making of the goods with the greatest difficulty, teaching the hands how to do the work, paying for their time while they did not earn anything; and on the other, when trying to introduce the goods we found the prejudice against all fine goods made in this country, which still prevails. We have, however, endeavored and succeeded to prove that such goods can be made satisfactorily. During our existence we paid for building up the business and sunk the large sum of $95,000 in it, excluding the value of our energy, with hardly any pecuniary remuneration.

We can see our way clear to develop this industry at the present rate of duty upon such goods, which is to offset the great difference in the wages between operatives here and abroad. With a small production as yet, we are comparatively not known to the people, and we have had occasion to note that importers of this particular line have stated that rugs and carpets of this class should be allowed to enter this country free, or with merely a nominal rate of duty. These importers further stated that such an act would not conflict with the manufacture of said goods in this country. In reference to this I beg to say that our goods are an exact reproduction of the Oriental rugs, also German, French, and English goods of the same nature, specified in tariff law as "carpets woven whole for rooms."

In the Orient rugs are manufactured in private houses, prisons, and in factories, the latter having been established by English syndicates within the last decade, and the wages paid for the labor in these establishments are purely nominal. As a matter of fact, we can not compete with such labor, nor did we ever try to; but we can compete with European production at the present rate of duty levied upon this article. For instance, a German manufacturer pays 13 marks (or $3.25), including all his expenses, for the production of 1 square yard of rug, whereas it costs us $5.50 to produce the same thing. Over one-half of the latter amount represents labor paid to operatives. A German manufacturer pays 1 mark (25 cents) for 1,000 tufts; we pay $1. The wages paid by us to all our employés—such as dyer, designer, and sketch artist—are invariably four times as large as the salaries paid for the same class of work in Europe.

Yours, respectfully,

ROBERT STUNTZ.

DATES OF WOOL TARIFF.

STATEMENT OF JOHN HOPEWELL, OF BOSTON, MASS.

Mr. CHAIRMAN: The only thing to which I wish to call your attention at this time is the question as to when this duty shall go into operation. We usually talk with the woolen people in September in getting our orders for the year. All goods made in September, October, and usually in November are consumed that year—that is to say, are sent to the jobbers. The 1st of November there is a meeting of the

superintendent and president of the corporation, and they can guess as to what will be consumed during the year. From November to the 1st of May we manufacture goods in stock, without orders. Some years we make too many goods and some years we make too few. They are so cheap and are sold so low that we have considerable control of that class of goods. That has kept our trade up, so that in March, April, and May we have time orders for the better class of goods to be shipped in June, July, and August, bills payable in sixty days. So you see it is one whole year year between the time of ordering the goods and the payment for the goods. Of course in the intermediate time we well sell perhaps $30,000 or $40,000 worth. We manufacture or gamble as to about $250,000 or $300,000 worth of the goods we make. Some years the trade will take a little more, and often we have $50,000 too much.

We have to-day something like $20,000 worth of goods unsold. Our mills are stopped. We stopped two weeks ago. It looks as if we would stop another mill in the next two weeks. This depression in business is something we do not know anything about. Customers have canceled orders, and they will not be replaced this year. You, gentlemen, will readily see our position. This has been to us so far a very trying experience, and we have been in the milling business twenty-six years.

Some of our product is the making of plush. We ask you on behalf of ourselves and 800 employés, many of them owning their own houses, but have nothing to live on, that whatever you do, give us a full year in which to turn around. If you contemplate any change, it should not take effect until 1895. We would like to set to work as many of our operatives as we possibly can, in order to give them something to live on. I believe that is the sentiment of nearly every woolen manufacturer in this country.

Another thing in which I am interested is the question of ad valorem. I do hope you will not put on an ad valorem duty without a specific duty. While this new duty has helped us wonderfully in preventing undervaluation, still many manufacturers on the other side make goods so exclusively for the American market that there is no ad valorem price on it. They simply make it for whatever price they care to. When I was abroad I went into the consul's office and saw the clerks signing papers rapidly to which was attached pieces of goods. I said to him: "Of course you are certifying as to the correctness of the invoices." He said: "Theoretically, yes; but practically, no." "Why," said I, "that is your duty, I supposed, as consul." He said: "Theoretically, yes; but practically it would take fifteen men in this office to do that work. It is simply a physical impossibility for us to verify these invoices." We have to come in competition with these goods, and an equivalent specific duty would be very much better, and would be a greater protection than any ad valorem you can put on them.

Mr. BRECKINRIDGE. Do you believe that for many of these goods there is no sale except in America?

Mr. HOPEWELL. I understand that some manufacturers in Europe manufacture expressly for this market. They send their whole product, and make the prices on this side.

Mr. BRECKINRIDGE. Those goods are simply consigned to agents in this country?

Mr. HOPEWELL. They are simply consigned to the agent, who makes the price.

Mr. BRECKINRIDGE. Do you remember one provision that was in the Mills bill for free wool and reduction of goods?

Mr. HOPEWELL. Yes, sir; I will tell you that affected us in plushes. It gave us 12 cents a yard reduction in the cost of the goods. It takes three-fourths of a pound to make a yard of goods. Our actual saving was 12 cents a yard in the cost of the goods. The actual difference to the German manufacturer was 28 cents a yard; that is to say, if you give us free wool, and take off the duty as contemplated in the Mills bill, we shall be 22 cents worse off for protection under that duty.

Mr. BRECKINRIDGE. I would be glad if you would submit a paper on that, and you can make your statement as full as you desire.

Mr. HOPEWELL. I may say in explanation that two years ago I was taken with the grip. My physician sent me abroad. Unfortunately I went to Carlsbad and, after taking the baths, I took cold. I stayed five months in bed and this is the first real business I have been able to conduct for over eighteen months, and I feel that it is a great strain for me to be here now. My partner told me that I ought not to come to Washington.

Mr. BRECKINRIDGE. I would be glad to have you send a statement to the committee.

Mr. HOPEWELL. I shall be more than happy to do so. There are other gentlemen here, and I will not take up more of your time. Any information that I have I will cheerfully give on any point.

Mr. BRECKINRIDGE. Suppose you give what the raw material costs, and what you think your particular industry would suffer.

Mr. HOPEWELL. Very well.

Mr. BRECKINRIDGE. Nobody here wants to put the manufacturers of the country into a place where they will be taxed on material and have a reduction on the finished product.

Mr. HOPEWELL. I do not think this committee desires to do anything unfair. My only fear is that, not having the practical experience that we have had, you may do something that will hurt us.

SCHEDULE L.

SILK GOODS.

SILKS.

(Paragraph 409 et seq.)

STATEMENT OF MR. JOSEPH NEUMANN, OF SAN FRANCISCO, CAL.

TUESDAY, *September 5, 1893.*

Mr. CHAIRMAN: I have been here before, as many of you who were here during the consideration of the McKinley bill know, and therefore it is not necessary for me to have a further introduction. I believe that it is well known that I am the father of silk culture in the United States. I brought it here from the old country. I started in business in California in 1865, and have been at it ever since; but have been unfortunate in it by reason of the diversity of opinion in reference to the tariff.

I think, according to my estimate, outside of statistics, that we are consuming to-day $250,000,000 worth of silk goods, and I will ask if we can call it a luxury?

The CHAIRMAN. We would like to have you confine yourself as closely as possible to the idea which you wish to present to the committee, as we are pressed for time. Please state whether you want the duty raised or lowered on raw silk, or manufactured silk, or whatever proposition you desire to present.

Mr. NEUMANN. I am very much obliged to you, Mr. Chairman, for reminding me on this matter of the tariff. As for me, it would make no difference if there is 200 or 400 per cent ad valorem duty on silk, instead of 50 per cent. I think it can be reduced to 25 per cent. Either one of them would not help the development of silk culture, unless Congress looks into the matter properly, to see where the evils come from and to find out why we shall import $250,000,000 worth of silk goods. The queston is, does the Government get its proper share of revenue under the tariff of 50 per cent ad valorem? Some statistics, which I got to-day from the Government statistician, show that about $33,000,000 worth of silk goods arrived in this country during the present year. I say that this burdensome duty is wrong, for the very reason that it encourages smuggling and undervaluation, and I think that if the rate were reduced to 25 per cent ad valorem and the law made stringent with respect to smuggling and undervaluations, the Government would get more money than it now gets under the 50 per cent duty.

My aim is to help the products of the silkworm and to enable it to produce on this continent. We have an area within our States and Territories possessing a climate capable of the perfect culture of the silkworm, and we could produce about ten times the amount of silkworms that have ever been produced on the face of the globe.

The CHAIRMAN. You said you were the father of silk culture in this country, and now will you please state what experience you have had in the production of the cocoon and of silkworms?

Mr. NEUMANN. I have that in some papers here.

The CHAIRMAN. You appeared before this committee while the McKinley bill was under consideration?

Mr. NEUMANN. Yes, sir.

The CHAIRMAN. Did you advocate the bounty in the bill as first proposed?

Mr. NEUMANN. No, sir; because we have not yet produced enough to make it worth while asking for protection, and reducing the bounty would not interfere with it.

The CHAIRMAN. Tell us something about your experience in the culture of silkworms in this country.

Mr. NEUMANN. The production of silk requires, first of all, a climate and temperature suited to the worm. It requires an early spring, and it is a kind of work which, when there is nothing else to be done on the farm, enables the agriculturalist to expend his spare time in its growth and ripening, and the feeding of the worm in producing cocoons. The mulberry tree is the earliest one to produce leaves, and being subject to frost, if it is nipped the worm will die because there is no food for it. In that case, where there happens to be a frost, they must wait at least six weeks for the tree to produce a new crop of leaves. So, therefore, in many instances the southern part of the United States, such as North and South Carolina and Alabama, and the whole distance way up to Oregon, will be better suited to the production of the silkworm. The whole State of California is capable of producing the worm, south, north, east, and west; and the most wonderful results might be obtained. This can not be denied.

The CHAIRMAN. Please state briefly what you want in the way of duty.

Mr. NEUMANN. I would say 25 or 30 per cent ad valorem. Or make a specific tariff on silken goods would be sufficient, provided that it can be made collectable. The Government would get more money then than it gets at present, under the 50 per cent rate.

The CHAIRMAN. Then your proposition is that raw silk should remain on the free list?

Mr. NEUMANN. No; nothing on the free list, except cocoons.

The CHAIRMAN. What duty would you propose on raw silk?

Mr. NEUMANN. The cocoons are a product and raw silk is the manufactured article.

Mr. GEAR. You would let cocoons come in free?

Mr. NEUMANN. Yes, sir. The quantity of raw silk which we now import would give employment to at least 15,000 men.

Mr. GEAR. How much duty do you want on raw silk?

Mr. NEUMANN. 15 per cent. If you charge 30 per cent duty on manufactured silk you ought to charge half that amount on raw silk. On the tariff bill now in existence there is 35 per cent on spun silk thread. If you charge that amount on spun silk thread you ought not to charge more than half that amount on raw silk. One is worth $2 a pound, while raw silk sells for $12 a pound. It ought to be taxed. It is a luxury, and naturally those who want to buy jewelry and to show themselves off in a better manner can generally afford to pay taxes to support the Government.

Mr. GEAR. Will a duty of 15 per cent be better than a duty of $2 or $3 a pound?

Mr. NEUMANN. A specific duty of half a dollar will do. It used to be 25 per cent ad valorem on manufactured goods and 15 per cent on raw silk. I want to say in reference to the McKinley bill, that when the report was written that industry in our State was left out and sidetracked; and I want to ask why such things exist? I am here from the

old country with my money and time and worked for the benefit of my adopted country, which gave me liberty and equal rights; but I do not think that my labor should remain unrecognized. The culture of silk in this country can be made a success, and has been, and I have the documents to prove it. I could speak here three days, if the gentlemen of the committee would listen to me. What I say can not be denied, because I can prove it here from a report made to the Agricultural Department in 1885.

The CHAIRMAN. In your statement made before the committee in 1890 you put in the record these documents, and the testimonials showing what you have done, so you need not go into that question now. What I understand you to advocate is that cocoons should remain on the free list, and that a tariff of 15 per cent ad valorem should be put on raw silk?

Mr. NEUMANN. Yes, sir; or half a dollar per pound. It would bring in $4,000,000 or $5,000,000 in revenue.

The CHAIRMAN. We imported raw silk and silk materials in 1892 to the amount of $25,063,000. Your proposition of 15 per cent on raw silk and 30 per cent on manufactured silk, I should think, would produce a larger revenue than we get from the rates now in existence.

Mr. NEUMANN. I should think so, and it would prevent smuggling and undervaluation.

The CHAIRMAN. I think we have now got your views on the subject.

Mr. NEUMANN. Very well; that is my information. At the same time I will state that I have no interest in any concern. My aim is to get recognition and to endeavor to advance the enterprise of silk culture as it ought to be in this country.

PLUSHES AND VELVETS.

(Paragraph 411.)

FRIDAY, *September 15, 1893.*

Mr. DE FOREST. I wish to introduce Mr. Kip, and I wish to bespeak for him your most indulgent consideration. He is president of the Bridgeport Plush Company, one of the largest and most important of our Bridgeport industries, employing some 500 men, an industry that has been building up year by year, and which labors under some peculiar disadvantages in regard to cost of labor and machinery.

STATEMENT OF MR. FRED E. KIP, PRESIDENT OF THE SALT'S TEXTILE MANUFACTURING COMPANY, BRIDGEPORT, CONN.

Mr. CHAIRMAN: It is important and interesting to know that since the enactment of the present tariff on silk plushes and velvets the cost to the consumer has been lowered considerably. Twenty-four-inch colored plushes sold in 1889 and 1890 for $1, now sell at 80 cents; 24-inch seal plushes sold in 1889 and 1890 for $1.60, now sell at $1.15; 49-inch seal plushes sold in 1889 and 1890 for $3.75, now sell at $2.75.

The development made in this industry in such short time is most remarkable. To-day the plush industry has here attained to larger proportions than in England; the successful development of the industry here having detrimented same in England. We understand that Lister & Co., of Bradford, the largest plush and velvet mill in England,

has sent a representative over here from England purposely to do all he possibly can to obtain reduction in this tariff to enable them to regain the lost American market. Lister formerly sold to the United States several millions per annum. They now do practically nothing here.

Owing to difficulties in manufacturing, a certain quantity of plushes always comes out inferior (and are known in the market as seconds). A specific duty is always desirable, but particularly so in this industry. If there were an ad valorem duty only it would be impossible (on account of these seconds) to prevent gross undervaluation of foreign goods. The official records at the appraiser's office, New York, show that about one-half of the seal plush imported the year previous to the present tariff were invoiced as seconds.

The specific duty of plush and velvets puts an effectual stop to this undervaluation (as a second practically weighs as much as perfect goods), and is therefore an absolute necessity.

I am president of an American company (the Salt's Textile Manufacturing Company, Bridgeport, Conn., the second in size here) and am also selling agent—as an importer—for three of the largest foreign plush and velvet manufacturers in Europe, one of same situated in England and the others in Germany, Austria, and France. Through my being connected at the same time with American and foreign mills, I am able to give authentic information as to wages, etc., paid by this industry in each of these countries.

The following are the wages paid by the foreign mills:

Name.	Mills.	Wages per week.	
		Foreign value.	United States value.
Sir Titus Salt, Bart., Sons & Co.	Saltaire, England	20 to 22 shillings	$4.50 to $5.00
J. L. de Ball & Co.	Lobberich, near Crefeld, Germany.	16 marks	4.00
Do	Graslitz, Austria	8 florins, 60 kreutzer	3.50
J. B. Martin	Lyon and Tarare, France	21 francs	4.10

(Salt's, de Ball, and Martin are considered among the largest foreign manufacturers in their line.)

The foreign average on wages is $4.02 per week, whereas the wages paid at the American mill amounts to an average of $10.50 per week; therefore the American mill pays 160 per cent more wages than is paid by the foreign mills making exactly the same goods. The skilled United States workmen, weavers, etc., earn $15 to $16 per week, but tht average of skilled and unskilled, including boys and girls, is $10.50 to $11.50 per week.

The average cost of silk plush and velvets is made up of about three-fifths (or 60 per cent) material (the greater part of material being spun silk) and two-fifths (or 40 per cent) actual labor.

The materials used in making silk plushes and velvets are spun (or schappe) silk and cotton yarns. The spun (or schappe) silk yarns compose, however, by far the greater part, being about 33⅓ per cent of cost and 75 per cent of all materials used. The spun silk yarns pay to-day a duty of 35 per cent. Two or three United States spinners are spinning these silk yarns here, but their spinning, either on account of price or quality, does not seem to be satisfactory, inasmuch as practically all of the manufacturers of plushes and velvets here import their

silk yarns and pay a duty of 35 per cent thereon in preference to buying silk yarns spun here. The United States plush and velvet manufacturers, however, are buying most of their cotton yarns below No. 80 spun in the United States. The fine cotton yarns (used exclusively in making velvets) count No. 80 and above; they import and pay a duty of 50 per cent ad valorem.

In England, Germany, and France these silk yarns are admitted free. The foreign manufacturer, therefore, has the advantage over the United States manufacturer of, first, paying 160 per cent less wages, and, second, by obtaining materials used free. Whereas the United States manufacturer pays duty of 35 per cent on the spun silk yarn, and 50 per cent on fine counts cotton yarns (from 80 to 200). Therefore (in order to enable the United States manufacturers to continue paying 160 per cent higher wages) the present specific and ad valorem duty on silk plushes and velvets is only sufficient protection, *just as it now stands*. I therefore respectfully petition that the present duty on silk plushes and velvets, viz, $1.50 per pound and 15 per cent ad valorem on goods containing less than 75 per cent weight of silk, and $3.50 per pound and 15 per cent ad valorem on goods containing more than 75 per cent weight of silk, but in no case shall it be less than 50 per cent, and the present duty on spun, or schappe, silk yarns be left just as it is.

If, however, the present Congress should lower the duty on silk, plushes, and velvets at all, then the duty on the spun (or schappe) silk yarns should be lowered in proportion thereto. This proportion is three times as much reduction on the spun silk yarns as on the manufactured goods. For example, if a reduction should be made on the manufactured goods of 12 per cent, then a reduction of 35 per cent should be made on the spun silk yarns, or, in other words, the silk yarns should be admitted free.

Furthermore, if the tariff should be lowered on any other than the above lines, it must of necessity inflict great injury to the wage-earners and industries here. There would then be only two alternatives, viz, a very large reduction of wages here, to compete with foreign goods, and if this foreign competition necessitated such a large reduction of wages that subsistence thereon (in the United States) would be impossible, then this United States industry would be completely wiped out. Our only alternative in that case would be to remove to England and manufacture goods there instead of at Bridgeport, Conn. We do not believe, however, that the present administration have any intention of wiping out industries, and therefore we have full confidence that they will frame the tariff on silk velvets and plushes so as not to inflict injury to the wage earners or to the industries now established here.

I think I have made it plain, at least I have tried to, that we pay here 160 per cent more wages. And in order to continue paying these higher wages, the present tariff on silk plush and velvet is absolutely necessary. On the principal material used, spun (or schappe) silk yarns, we pay 35 per cent duty and on fine cotton yarns 50 per cent. If there should be any reduction on manufactured goods, then a proportionate reduction should be made on the silk and fine cotton yarns. This proportion is three times as much on these yarns as on the manufactured goods. If the tariff is altered on any other lines it will of necessity greatly reduce wages, and possibly wipe out the industries here. In this particular industry (on account of seconds) a specific duty is an imperative necessity.

Gentlemen, we sincerely hope and trust you will not alter the tariff so as to disturb the wages or industries established here.

Mr. PAYNE. Has this industry grown up rapidly within the last three years?

Mr. KIP. It has grown enormously in the last three years.

Mr. PAYNE. Was much done prior to 1890?

Mr. KIP. There was something done, but I should say it has increased at least 300 per cent since 1890.

Mr. PAYNE. How about prices?

Mr. KIP. The prices of goods have been in some cases very much reduced, as I have just stated.

PETITION TO THE WAYS AND MEANS COMMITTEE.

We, the undersigned, being all citizens of Catasauqua, Pa., and knowing the value to Catasauqua and the country at large of such manufacturing concerns as the Wabnetah Silk Company and the Unicorn Silk Manufacturing Company of Catasauqua (manufacturers of silk plushes and velvets), respectfully petition the Committee on Revision of Tariff to readjust the tariff on silk plushes and velvets so as not to cripple or injure the large and important plush and velvet industries now in this country. We understand the component part of these silk plushes and velvets is spun silk, which pays an advalorem duty of 35 per cent, and as the average wages paid in England and Germany are from $4 to $4.50 per week, whereas the average wages paid by the Wahnetah Silk Company since it started in business, three years ago, have been $12 per week; and as labor being one of the principal elements of cost enters very largely into the manufacturing of these goods, the present duty is none too high to cover the difference of wages paid here as against that paid by foreign manufacturers. We therefore respectfully petition the tariff committee, in case they lower the tariff on manufactured silk pile fabrics, viz, silk plushes and velvets, to only lower same in proportion to the reduction made upon the spun silk yarn; and if no reduction of duty is made upon the spun silk, we respectfully request that no reduction will in that case be made upon the manufactured goods.

SEPTEMBER 7, 1893.

W. A. BORGER.
G. B. F. DAILY.
(And others.)

SEAL PLUSH.

(Paragraph 411.)

MONDAY, *September 18, 1893.*

STATEMENT OF MR. JOHN W. STEWART, OF 55 AND 57 WHITE STREET, NEW YORK.

Mr. CHAIRMAN: Before proceeding with my statement I would like to submit samples of these goods in order the committee may be thoroughly familiar and know the nature of the article for which we appear (exhibiting same).

Although there are numerous points which might be brought to your attention in support of the position we take, we shall only refer to and emphasize the two main reasons for our appearance in behalf of this fabric:

(1) That the tariff legislation of 1890, whereby the duty upon these goods was raised from 50 per cent to rates varying from 100 per cent to 134 per cent, has not successfully established the industry in this country.

(2) That the duties then imposed have been prohibitive, and in consequence the Government has for three years been deprived of a very considerable amount of revenue.

This fabric first began to assume commercial importance in the year 1883, and for years there was a large and increasing demand. The best makes are such a close imitation of the more expensive and genuine sealskin that it sometimes puzzles an expert, at a short distance, to determine whether a garment be real or imitation.

Although when first introduced the article was not within the reach of people of small means, competition soon regulated this; and for years, until the advent of the domestic goods, it was possible for women to purchase a seal plush garment of good quality at a moderate price.

In the year 1889 their manufacture was begun in this country by a Philadelphia concern. During this year the domestic product made little progress, as the buyers could not be induced to place confidence in the ability of this manufacturer to make an acceptable and worthy article.

At the close of the year 1889, however, arrangements were made whereby more competent distributors were placed in control, and from this time the domestic article began to assume somewhat more importance in the market.

This result was not attained by the excellence of the goods or because they were superior to the foreign article, but owing entirely to the sale price being put sufficiently below that of the foreign goods to tempt the trade to the use of what was perhaps somewhat similar in appearance, but a greatly inferior article in all respects.

In illustration of this we cite a case related by the agent of this manufacturer. Among a shipment of goods to the west was a certain piece, upon the examination of which the customer reported that it had so many faults he wished to return it. Whereupon the agent replied, "Keep the piece, and we will allow you for the damages." Just here we would explain the custom of the trade of allowing one-eighth of a yard for each bad damage. Replying, the customer sent a bill for five yards of the goods, saying the number of bad damages had exceeded the number of eighths in the piece by 40, which is to say, there were 280 damages in a piece containing only 240 eighths.

Although prices obtained for the domestic goods were below the market, that they were satisfactory to the manufacturer was evidenced by the effort made to increase the production to the last degree.

We would just here like to emphasize the point that this manufacturer had been able to establish the article to a considerable extent upon a protective duty of 50 per cent, and according to his own admission in an interview in January, 1891, had begun their manufacture in the year 1888, at a time when there did not seem any particular prospect of any increase in duty.

The sudden access from an insignificant business in 1889 to one of considerable proportions in 1890, was perhaps all that was needed to suggest that provided legislation could be obtained, which would exclude the foreign article altogether, prices could not only be maintained, but advanced to the highest point the buyer would endure, and the entire demand of the country be supplied from this one source. Whether this manufacturer as the sole beneficiary, upon this article

was or was not the instigator of this tremendous discrimination against the foreign article, we can not positively affirm. We can, however, point to his own admissions which would seem to indicate very clearly that he was.

In an interview with his selling agent in October, 1890, he stated as follows:

The only concern making seal plushes in this country is J. & J. Dobson, and it is to their interest mainly, that the new tariff will work.

Upon being asked the effect of the new tariff, he replied:

We have raised our prices from 10 per cent to 25 per cent. We have made 25 per cent of all the seal plush sold in this country this year, and if none should be imported the Dobson's could supply the entire demand, as their capacity is enormous.

Following such evidence we also know that the Fifty-first Congress incorporated a provision in their bill, whereby these goods should pay a duty of $2 and $3.50 per pound, and 15 per cent ad valorem, respectively for goods under and over 75 per cent weight of silk. We also know that when these rates had been fully studied out by those who proposed them, they came to the conclusion they had asked for so much that the building of their own construction would most likely fall and crush them because of the inducements given to foreign manufacturers, to come here and enter into competition with them.

Accordingly the sale agent and mill manager of the Dobsons, called at our place of business, stated this fact, and asked for samples of our goods, with particulars of prices and weights, in order that they might reconstruct their recommendations, so that a new scale could be arranged, which, while being less likely to tempt foreign manufacturers to come here, would still be sufficient to give them all they wanted. It was asserted that Mr. Dobson had said "He had no doubt as to his ability to effect any desired alterations, as he had a very influential backing." This was after the House had passed the bill, and we can only presume from what followed, that the gentleman possessed all the influence he claimed, for we find that in conference committee, the bill as finally passed, provided for a rate of $1.50 and $3.50 per pound, and 15 per cent ad valorem on goods under and over 75 per cent weight of silk.

In order to give the committee an idea of the thoughtful consideration of the framers of this new schedule—for themselves—we submit herewith particulars of the advance in duties on a few standard grades:

	Old duty (per yard).	New duty (per yard).	Advance.	Total duty.
			Per cent.	*Per cent.*
No. 1	$1.26	$2.20	74½	124⅛
2	1.38	2.38	72½	122½
3	1.57	2.68	70¾	120¾
4	1.38	2.10	52½	102⅛
5	.44	.72	64	114
6	.38	.70	84	134

It seems almost needless to state these duties have been practically prohibitive, and, as this was what this manufacturer seemed to want, we can only presume he had attained the conditions desired.

The old adage, however, "All is not gold that glitters," would seem applicable in this case, for before the close of the year 1891, there were nine manufacturers on the ground to divide the spoil, some having come from abroad, others already here, having begun the manufacture of the article, all induced by the glamor of the untold wealth to be made.

When we ask in scriptural terms, "Lo, where are the nine?" history compels the following answer:

No. 1. Has gone into the hands of the sheriff.

No. 2. Went into voluntary liquidation, but has since started in a small way.

No. 3. Has succeeded in selling his mill for other purposes.

Nos. 4 and 5. Have retired from the field in disgust.

No. 6. Is still running, we believe largely because wealthy men were induced to go into the enterprise, and do not like to admit defeat.

Nos. 7 and 8. Have been running off and on for two years and a half. No. 7 now admits at a loss from the very beginning, while No. 8, according to admissions made by one of the firm to the speaker, has not succeeded in anything like the degree anticipated.

No. 9. The original founder and alleged instigator of the advanced duty, whereby so much loss has been incurred, told the speaker last spring that he had not made a piece of these goods in nearly a year.

Mr. DALZELL. Instead of giving No. 1 and No. 2, etc., will you please give the names of those establishments?

Mr. STEWART. Yes, sir; I will do so with pleasure. No. 1 is the New York Seal Plush Company.

Mr. PAYNE. Of New York City?

Mr. STEWART. Yes, sir. No. 2 is now what is called the Salt Textile Manufacturing Company.

Mr. PAYNE. Where are they located?

Mr. STEWART. At Bridgeport, Conn. No. 3 is the Jamestown Seal Plush Mills; No. 4 is the Yeager and Timne; No. 5, the Astoria Plush Works; No. 6 is the Wahneteh Company; No. 7 is the Unicorn Mill at Catasauqua; No. 8 is the Hind and Harrison Plush Company, and No. 9 told the speaker last spring he had not made a piece of these goods for nearly a year.

Mr. DALZELL. Who is No. 9?

Mr. STEWART. J. & J. Dobson, of Philadelphia.

The literary effusions of these gentlemen have not been very voluminous, but we quote from two letters given to the public press during the year 1892 which, although not hopeful, are much to the point of our argument; the one from which we now quote having been written by one of the proprietors of the Unicorn Mills to their superintendent during the time of a strike:

APRIL 21, 1892.

DEAR SIR: Whenever the weavers want to come in again, on our conditions—that is, we want good goods, and no trashy goods, as they have made them heretofore—we will reopen the mill, but not before that, under any circumstances. This is a question of life or death to this entire industry, consequently just as much for us as for the hands. There are now large stocks of such trashy seal plushes of domestic manufacture held here, which nobody wants, and we shall certainly not go to work again to still further increase them. If we make better goods we can get better prices, and if we make better prices we can pay better wages.

Yours truly,

C. A. AUFFMORDT & CO.

And again we quote from a letter intended, we presume, for general information under date of September 10, 1892:

The domestic manufactures of seal plush have not had a very easy time so far. Seal plush is one of the most difficult articles to manufacture, and a great deal of time and money have been sacrificed by those who ventured into it, to attain something near that degree of perfection in color and finish which is absolutely necessary for its easy sale, and which state it appears can only be reached by previous

long and costly experience. Not everyone, then, has succeeded in it. Soon after the real start of this difficult industry, a few years ago, by but two factories, the change brought about by the McKinley bill made a few of the English seal plush manufacturers believe that there was nothing more profitable than to transfer their plants here and rush into manufacturing the article in this country; so they did. As soon as the new comers appeared in the market, with their makes, the times became more difficult for all. Instead of holding up the market, as the few starters had done, an unhealthy competition was inaugurated. There was a constant fight among the four or five mills for prices and the latter sank quickly to a level at which now none of them can live. As to upholstery plushes, the less said about them the better. There would be just a little profit in them for the manufacturers if some generous hand would come forward and make them a present of the silk required.

WM. DEGENER,
Of C. A. AUFFMORDT & Co.

Following these confessions of the manufacturers themselves comes this criticism in the leading trade journal devoted to the cloak manufacturers, to which trade these goods all go:

No fabric has suffered more from the cheapening process than the seal plush by the throwing on the market of inferior goods, the results of the experiments of new manufacturers. If, instead of seeing how cheap they could make, them they would endeavor to make better goods, they would all be more successful.

This, then, is the record of what prohibitory duties have accomplished for this industry in this country, and we believe the recorded facts as herein stated will convince the members of this committee that the assertion with which we began has been abundantly proved.

Second. From this phase of the question we now turn to the second point named, viz, that the duties imposed by the McKinley act have been prohibitive, in consequence of which the United States Government has been deprived of a very considerable amount of revenue for the past three years.

There are three consular districts from which these goods come, viz, Manchester, Huddersfield, and Bradford, the latter producing by far the largest quantities. Unfortunately we have not been able to obtain full reports of exports from the Manchester and Huddersfield districts, but we append figures from the Bradford consulate showing the total amounts exported from that district during the years named, and to these amounts we have added the exports from the other two districts for such years as we have been able to obtain figures for, with estimated amounts for years 1885 to 1889.

Amount of exports seal plushes obtainable from Bradford, Manchester, and Huddersfield, years 1885 to 1892, inclusive.

Bradford:		
1885	$687,519.14	
1886	1,332,470.38	
1887	1,668,997.94	
1888	2,603,203.57	
1889	1,932,865.15	
1890	2,931,166.24	
Manchester and Huddersfield, 1885–'89	1,346,322.67	
	12,505,545.09	
Duty derived at old rate, 50 per cent	6,252,772.55	
Average annual revenue, old rate		$1,012,128.75
Bradford:		
1891	191,863.37	
1892	182,973.14	
Manchester and Huddersfield, 1891–'92	107,212.36	
	485,048.87	
Estimated duty derived at new rates	363,786.50	
Average annual revenue, new rates		181,893.25
Total loss of revenue for the years 1890–'93 at above average		2,580,706 50

With these figures, which speak for themselves, we close our case, and trust that the honorable members of the committee will deem it wise and find it expedient in framing their new bill, to make such changes as will be more equitable, and we believe more profitable, to every one interested in the goods.

I notice in the Friday morning's paper that a representative of one of the American plush mills had been here, and I cut out that paper just a sentence which I should like to say a few words on.

FOREIGN AGENTS AT WORK.

He had been informed that Lister & Co., an English manufacturing firm had sent an agent to the United States, who is now in this country, exerting his influence in various ways in favor of lower rates.

Now, I wish to say I am and have been for some years the selling agent of Messrs. Lister & Co.' If I was sent here by them all I can say is that they were men of great foresight, because I arrived in this country the 27th of May, 1856, on the corner of Bleecker and Houston streets, New York, and so far as Messrs. Lister & Co. having sent anybody here to influence legislation, I pronounce it utterly false in any way, shape, or form; the only effort which is being made is by the speaker before you this morning.

Mr. PAYNE. Messrs. Lister & Co. are not interested in it then?

Mr. STEWART. I did not say that at all.

Mr. PAYNE. You do not mean to say they do not know you are here.

Mr. STEWART. I told them, and——

Mr. PAYNE. They approved it?

Mr. STEWART. Yes, sir.

Mr. PAYNE. You are aware, I suppose, that the United States Government has published tables of imports of goods?

Mr. STEWART. I am.

Mr. PAYNE. Why did not you consult that in making your comparison?

Mr. STEWART. I presume you refer to the Treasury statistics?

Mr. PAYNE. Certainly.

Mr. STEWART. Well, the Treasury does not specify these goods distinctly enough. It does not give specifically the particular articles clearly and distinctly enough in order to arrive at an accurate conclusion.

Mr. PAYNE. Well, I see by the reports of the United States Treasury under the head of silk goods, enumerates velvet, containing, exclusive of selvages, less than 75 per cent in weight of silk; that is a sufficient description?

Mr. STEWART. It is not, sir.

Mr. PAYNE. It comes in under this paragraph?

Mr. STEWART. That is the only distinction. This is the explanation I received from the Treasury officials; that is to say, they do not distinguish as to the character of the goods and only distinguish as to certain goods which are all under the same rate of duty. Now velvets are taxable or dutiable at exactly the same rate of duty this article is, and the consequence is when they make up their figures of the imports of velvets and plushes they are all grouped together, so really the figures we get from them do not pertain accurately to this one particular article, which is simply one of a class.

Mr. PAYNE. I see that the imports of 1891 of these frabrics, after the 6th of October, amounted to $2,250,000, and that the revenue

vas $1,705,000, and that the average duty was 74.27 per cent, and that n 1892 the imports were 2,500,000, in round figures, and the duty col-ected was $1,850,000, and the average duty was 75 per cent on these rticles. That includes the articles of which you have been speaking?

Mr. STEWART. Yes, sir; I presume it does.

Mr. PAYNE. Now, I did not quite understand what you said in ref rence to the factory at Jamestown; did you claim they did not make ood goods?

Mr. STEWART. What I said was this one had sold their mill for other urposes.

Mr. PAYNE. The goods they made were good goods?

Mr. STEWART. No, sir.

Mr. PAYNE. They did not make good goods there?

Mr. STEWART. No, sir.

Mr. PAYNE. Well, it was under the management of one of the Listers?

Mr. STEWART. No, sir; not except the New York Tribune, previous o the election——

Mr. PAYNE. Well, I did not refer to the New York Tribune. I have een to Jamestown myself and I know what I am talking about. Do ou say that one of the Listers did not come here and purchase the round and build himself a house at the same time he was building a actory, and that one of his superintendents did not come over from the Listers and also build a house at the same time he was building a fac-ory when they went into the manufacture of these goods?

Mr. STEWART. I want to say——

Mr. PAYNE. I want to know if you know it of your own knowledge?

Mr. STEWART. I will tell you as far as I know what are the absolute acts.

Mr. PAYNE. Do you know whether or not that is a fact?

Mr. STEWART. No, I do not know whether that is a fact; but I elieve it is not one.

Mr. PAYNE. And that these goods they made were manufactured by he same process by which they were manufactured by Lister, the same rm which you represent, in England?

Mr. STEWART. I presume so; I do not know.

Mr. PAYNE. You presume they were manufactured by the same rocess. When did the Listers sell this mill for other purposes?

Mr. STEWART. If you will excuse me, I refer——

Mr. PAYNE. When was this mill in Jamestown sold for other pur-oses?

Mr. STEWART. Before the Listers you refer to came to this country at ll, and it is another mill entirely.

Mr. PAYNE. It is another mill entirely; then you have not spoken bout the mill Lister was connected with?

Mr. STEWART. I have no knowledge of any Listers being there and only try to speak of such things as I have knowledge.

Mr. PAYNE. Did not the Listers come here immediately after the assage of the tariff act of 1890——

Mr. STEWART. They failed in 1890 in England.

Mr. PAYNE. Did not the Listers come here immediately——

Mr. STEWART. I saw in the newspapers there was a man by the name f Lister, who had been a manufacturer of this article in England, and t was stated he was going, or had come, and he was going to have a ill in Jamestown, N. Y., for the manufacture of this article.

Mr. PAYNE. So that the mill that was sold in Jamestown was sold before the tariff act of 1·90, under a low duty?

Mr. STEWART. Yes, sir; so far as I know.

Mr. PAYNE. How many of these failures were there before this tariff act of 1890?

Mr. STEWART. None of them. I stated here there was only one factory making a seal plush in this country before the tariff bill of 1890 was passed.

Mr. PAYNE. You say there was only one making seal plushes before 1890?

Mr. STEWART. Yes, sir; I have reasserted that.

Mr. PAYNE. That was this Jamestown mill?

Mr. STEWART. No, sir.

Mr. PAYNE. You say there was one factory prior to 1890 making plushes. You distinguish between seal plushes and I take in plushes coming under this 75 per cent duty?

Mr. STEWART. In this statement I have made the distinction between the upholstery plushes and seal plushes. As you say, they both come under the same rate of duty and to a certain extent are the same.

Mr. PAYNE. They are all pile fabrics and have to be sheared?

Mr. STEWART. I am not a practical manufacturer.

Mr. PAYNE. You know enough about it to know that their process of manufacture is the same in that respect. They have to go through the same number of processes?

Mr. STEWART. One article is more difficult to produce.

Mr. PAYNE. Seal plush?

Mr. STEWART. Yes, sir.

Mr. PAYNE. Your idea is that the people here can not produce seal plushes?

Mr. STEWART. Well, all I can say is that so far they have not produced anything yet in point of quality equal to the better foreign make.

Mr. PAYNE. That is as much as you care to say on this subject?

Mr. STEWART. It would be foolish for me to come and make the statement that a man can not positively do a thing; I can only speak from the experience of the past.

Mr. PAYNE. That want, I suppose, has been supplied from abroad for the last three years?

Mr. STEWART. No, it has not.

Mr. PAYNE. Has it been driven out of the market entirely?

Mr. STEWART. The duties have been prohibitory, as shown by the imports of the country.

Mr. PAYNE. The tables here do not seem to confirm that statement. Under this same duty there seems to have been an importation of $2,500,000 of goods?

Mr. STEWART. My dear sir, I wish you would take into consideration this fact, that the imports of which you speak, beginning, say, for that year 1891 and 1892, which I think you have referred to, includes velvet and all other pile fabrics.

Mr. PAYNE. The seal plushes are more difficult to manufacture?

Mr. STEWART. Yes, sir; I do not know that exactly.

Mr. PAYNE. Are they the higher-priced goods?

Mr. STEWART. Yes, sir.

Mr. PAYNE. Is this pound duty, practically an ad valorem, duty very small?

Mr. STEWART. Only 15 per cent.

Mr. PAYNE. And you pay on the higher-priced goods the same rate

of duty as velvet, where, on the lower class goods they import freely against domestic competition?

Mr. STEWART. Yes, you will understand that these goods, plush, I am speaking of, are 50 inches wide, and they therefore can hardly be compared in point of value when we say one is $4 or $5 a yard, and velvet which is only 18 inches wide and which is sold at a dollar.

Mr. PAYNE. Those are pound duties?

Mr. STEWART. I was speaking of the price of the goods, sir.

Mr. PAYNE. Well, the prices per pound are higher?

Mr. STEWART. They are not sold by the pound, sir.

Mr. PAYNE. I know, but calculating it on the pound you know what the price is per pound, whether velvets are higher or seal plush?

Mr. STEWART. Only because they weigh more.

Mr. PAYNE. They are higher per pound, are they not?

Mr. STEWART. No; the rate per pound is the same, one dollar and a half a pound.

Mr. PAYNE. The selling price is higher per pound on seal plushes, is it not?

Mr. STEWART. Well, only because they are the heavier article.

Mr. PAYNE. I do not care what the reason is they are higher?

Mr. STEWART. Because they are the heavier article.

Mr. PAYNE. Now, have any of these factories failed in the last six months?

Mr. STEWART. No; only the agent of one of them told me if it had not been for clever management he thought the manufacturer would have failed, and that was during the last six months.

Mr. PAYNE. That is so of any business pretty much?

Mr. STEWART. To some extent that is quite true.

Mr. PAYNE. Except the importing business, of course, we have to except that from all rules?

Mr. STEWART. It seems so.

Mr. PAYNE. You are agent for Lister Brothers?

Mr. STEWART. Lister & Co., limited, of Bradford, England.

Mr. PAYNE. Were they formerly Lister Brothers?

Mr. STEWART. Not as far as I ever knew.

Mr. PAYNE. Did you say that some firm of Lister had failed in England?

Mr. STEWART. I did.

Mr. PAYNE. What firm was that?

Mr. STEWART. Henry Lister & Son, of Huddersfield.

Mr. PAYNE. When did they fail?

Mr. STEWART. I think I am right in saying early in the year 1891.

Mr. PAYNE. Did they make the same class of goods?

Mr. STEWART. Yes, sir; they made the same class of goods.

Mr. PAYNE. But your firm of Lister & Co., limited, have been able to pull through by clever management?

Mr. STEWART. We think so.

Mr. PAYNE. We will see whether clever management was applied to both sides of the water. That is all.

Mr. STEWART. Well, as a matter of fact, there were very few people who have succeeded. This gentleman you refer to, who came over here did not succeed well there, as proved by his failure; our concern did, who are now alive.

Mr. PAYNE. How many factories are actually engaged in the manufacture of velvet goods in America now?

Mr. STEWART. I do not speak for velvets; I do not claim that I have any great knowledge of that.

Mr. PAYNE. It is a very large industry?

Mr. STEWART. Well, there is a very large quantity of velvet used, and has been for the last six months.

Mr. PAYNE. Is much manufactured in this country?

Mr. STEWART. Some.

Mr. PAYNE. Are not large quantities manufactured in this country?

Mr. STEWART. There is one manufacturer who is making, I understand, large quantities of low-priced goods.

Mr. PAYNE. You say you do not know much about that?

Mr. STEWART. I do not. We are interested in that in a small way, consequently it has not been my business to investigate it much.

Mr. TURNER. Do you know anything about corduroy?

Mr. STEWART. No, sir; I do not.

Mr. PAYNE. Have your sales fallen off in the last three years?

Mr. STEWART. Naturally, when I inform you the duties have been prohibitory.

Mr. PAYNE. They fell off because all classes of velvet goods were selling for less?

Mr. STEWART. Not on all classes.

Mr. PAYNE. Have your general sales increased in the last three years of other goods of all classes without distinction?

Mr. STEWART. No, sir.

Mr. PAYNE. Have they held up; held their own?

Mr. STEWART. No, sir.

Mr. PAYNE. There has been a small decrease, then?

Mr. STEWART. There has been a very large decrease.

Mr. PAYNE. Taking the whole sales?

Mr. STEWART. Yes, sir.

Mr. PAYNE. What percentage?

Mr. STEWART. Well, I do not know; it is rather difficult for me to separate all the different kinds of goods which are made by our people and the sales are lumped together.

Mr. PAYNE. You know the whole volume of sales?

Mr. STEWART. Yes, sir.

Mr. PAYNE. What were they in 1889?

Mr. STEWART. I really do not know whether our people would care to have me go into these facts, but I may say there has been a very large decrease.

Mr. PAYNE. Will you tell me the amount of sales last year?

Mr. STEWART. I do not think our people would care to have me quote that.

Mr. PAYNE. Going a little further than that, will you tell the profits made on these goods last year?

Mr. STEWART. That is something I do not know; I am not in their confidence to that extent. I know they paid a dividend of 2½ per cent last November.

Mr. PAYNE. But you do not know their profit on American sales last year?

Mr. STEWART. Yes, sir; I have an idea of what it was.

Mr. PAYNE. How much was it?

Mr. STEWART. You refer now to what period?

Mr. PAYNE. For the year 1892.

Mr. STEWART. We got a great deal less that year.

Mr. PAYNE. What was it in 1891?

Mr. STEWART. Owing to bringing in new fabrics we have been al to pay expenses and make a little money.

Mr. PAYNE. How was it in 1890?

Mr. STEWART. There was some profit in the business.

Mr. PAYNE. How much?

Mr. STEWART. I really do not remember.

Mr. PAYNE. How much in 1889?

Mr. STEWART. There was also some profit.

Mr. PAYNE. By "some" you mean a good profit?

Mr. STEWART. Of course, because our business was so much large but the proportionate profit was no greater in 1890 than in 1891.

Mr. PAYNE. But you say you got a good substantial profit in 18 and 1889?

Mr. STEWART. We got a fair return upon the business.

Mr. PAYNE. And you could not tell how much, of course?

Mr. STEWART. No, sir.

PLUSHES AND VELVETS.

(Paragraph 411.)

STATEMENT OF MR. MAX DOERMER, REPRESENTING NEW YORK PLUSH AI VELVET IMPORTERS.

Mr. CHAIRMAN: I have a short statement here which I desire read:

WEDNESDAY, *September 20, 1893.*

SIR: We beg leave to submit a change of the tariff, which we co sider the most reasonable and just way to admit schappe and silk pi fabrics of foreign manufacture into this country. The present tariff $1.50 a pound and 15 per cent ad valorem on goods containing le than 75 per cent of silk and of $3.50 a pound and 15 per cent a valorem on goods containing more than 75 per cent of silk means a du of 75 per cent to 125 per cent on goods which previous to the McKi ley bill paid only 50 per cent ad valorem. It simply means a prohibi ory tariff on all low qualities which are principally used by the midd and lower classes. We therefore propose to have the duty changed t $1 a pound and 15 per cent ad valorem for goods containing less tha 75 per cent of silk, and $3 a pound and 15 per cent ad valorem for a goods containing more than 75 per cent of silk, provided that the will be no change of the duties on the raw materials used for manu facturing these goods. In case of a change the proportionate percen age should be taken off from the pound duty. Our proposed rate duty means a protection of 51 to 75 per cent to the domestic manu facturers, which certainly should be and is sufficient. It means a honest and easy way of collecting duties, such as never can be obtaine through an ad valorem duty, as no man, not excluding experts, ca give the true value of pile fabrics within 15 to 20 per cent. We main tain that under the administration bill a specific duty is the only prop mode of collecting the actual duties on pile fabrics.

Most respectfully, yours,

FRED. J. REMER,
MAX DOERMER,
Committee appointed by the New York plush and velvet importers.

Mr. HOPKINS. What is your business?
Mr. DOERMER. I am an importer.
Mr. HOPKINS. At whose instance do you come before the committee?
Mr. DOERMER. On behalf of the importers of plush and silk velvets of New York.
Mr. HOPKINS. Do you know whether the articles mentioned in your printed address to the committee are cheaper to the consumer than they were before the adoption of the McKinley bill?
Mr. DOERMER. They are higher.
Mr. HOPKINS. How much?
Mr. DOERMER. Well, that varies according to the quality and the degree of duty which they pay. They pay now a duty of $1.50 to $3.50, and of course every quality pays different.
Mr. HOPKINS. What class of consumers takes these goods?
Mr. DOERMER. They are the middle and better classes.
Mr. HOPKINS. These articles are sold to the rich people principally, are they not?
Mr. DOERMER. No; they are sold largely to the middle classes. The poor classes took them up, but the poor qualities are driven out of the market, so that the poor class can not buy the goods any more.
Mr. HOPKINS. You say, "silk pile fabrics of foreign manufacture;" what do you mean by that?
Mr. DOERMER. Foreign manufacture, or goods imported.
Mr. HOPKINS. You say, "silk pile fabrics;" what do you mean by that?
Mr. DOERMER. Silk pile fabrics; all velvets and plushes are called pile fabrics.
Mr. HOPKINS. Do you know whether any industries have been started in this country since the adoption of the law increasing the tariff?
Mr. DOERMER. Yes, sir.
Mr. HOPKINS. How many?
Mr. DOERMER. A few mills; not many.
Mr. HOPKINS. Do you know anything about the amount of product or output of those mills?
Mr. DOERMER. I can not give the exact figures; that would be pretty hard to do.
Mr. HOPKINS. Do you know the capital invested?
Mr. DOERMER. I do not know that either.
Mr. HOPKINS. Do you know the number of employés used in these various industries that have been started since the adoption of the McKinley bill?
Mr. DOERMER. No; I could not give that exactly.
Mr. TURNER. Can you illustrate in any way the price of the stuff now and then?
Mr. DOERMER. Before the McKinley bill we had 50 per cent; after the McKinley bill we had to buy at 125 per cent on a great many cloths.
Mr. TURNER. Have you anything to show us; have you some samples?
Mr. DOERMER. Yes, sir; I can show you samples (exhibiting same).
Mr. TURNER. Give the price before and after taking.
Mr. DOERMER. This is domestic, and this is the foreign quality, both at the same price. The domestic quality would cost to import to-day 95 cents and it is sold in this country at 65 cents.
Mr. HOPKINS. It is sold in this country at 65 cents?
Mr. DOERMER. Yes, and even with the duty of 50 per cent we can

not import it. It can not be made and imported and sold in this country for 65 cents.

Mr. HOPKINS. You say it is sold in this country now for 65?

Mr. DOERMER. It is sold now at 65 cents.

Mr. HOPKINS. It is sold for less than the import duty?

Mr. DOERMER. It is sold for less than it can be imported. That there pays 120 per cent.

Mr. HOPKINS. And sells for 65 cents in this country?

Mr. DOERMER. That is domestic goods made in this country and this is foreign goods which pays 120 per cent.

Mr. HOPKINS. But the domestic goods takes the place among the consumers of your foreign product?

Mr. DOERMER. I should say so; certainly it does.

Mr. HOPKINS. And it sells here for 65 cents; in other words, it is selling for 50 per cent of what you claim the import duty——

Mr. DOERMER. We claim we can not manufacture the goods in Europe and compete with American manufactures if the duty was 50 per cent.

Mr. HOPKINS. What you want is this. You want the American Congress to reduce the import duties so as to benefit your manufacturers in Europe?

Mr. DOERMER. No, sir; what we want is an equal chance.

Mr. HOPKINS. You claim that the manufacturer in Europe should have an equal chance with an American who pays taxes and helps to support this Government?

FRED J. REMER. We give the American manufacturer about 25 per cent. You take our foreign goods that cost $1 a pound; that would pay about 75 per cent duty to the Government.

Mr. DOERMER. You take the people who used to buy these goods and they do not buy them any more. They can not afford, they will not pay 65, therefore they can not afford to buy the cloths any more. It is not sold any more.

Mr. BRECKINRIDGE. These products which Mr. Hopkins talks about have nothing to do with the cost of the article to the American consumer?

Mr. DOERMER. To the American consumer——

Mr. BRECKINRIDGE. Does it come out of the American consumer?

Mr. DOERMER. The American consumer has to pay considerably more.

Mr. BRECKINRIDGE. He leaves him out of his calculations?

Mr. BRYAN. Did the price of domestic plush rise?

Mr. DOERMER. They never made them before.

Mr. BRYAN. So you do not know what the price was?

Mr. DOERMER. No, sir.

Mr. HOPKINS. That is, before the adoption of that law you gentlemen had the monopoly of the American market?

Mr. REMER. There was no manufacturer making them.

Mr. HOPKINS. But after the adoption of the McKinley bill this product started up and sells the article in the market now for one-half of what you claim the import duty on them is—is that correct?

Mr. REMER. No, sir; it is not.

Mr. BRECKINRIDGE. Has that article sold any higher than before the McKinley bill?

Mr. REMER. Yes, sir. The cost of these goods we sold before the McKinley bill was 67, and we can not import them now; it would be 128 per cent on that one quality alone.

Mr. BRECKINRIDGE. Do not you know what they are selling for in the stores?

Mr. REMER. There are none imported.

Mr. BRECKINRIDGE. Do you know what their equivalent is selling for, about?

Mr. REMER. One dollar.

Mr. BRECKINRIDGE. What was it selling for before?

Mr. REMER. Seventy-five cents.

Mr. BRECKINRIDGE. Are they equivalent?

Mr. REMER. No, the American goods are better.

Mr. BRECKINRIDGE. The better one is sold for a dollar than the one for 75 cents?

Mr. REMER. Yes, sir; that is right.

Mr. BRECKINRIDGE. Then they come to the value of our money?

Mr. REMER. They could come to the value of our money, but all we want is just a chance to bring the goods in.

Mr. BRECKINRIDGE. You do not contend the American consumer is getting his money's worth, but what you want is an import duty fixed so——

Mr. REMER. So we could bring this in.

Mr. BRECKINRIDGE. What you want is your manufacture brought sharp up to that quality of American manufacture?

Mr. REMER. No, we will give them 25 per cent, we will give them 75 per cent instead of 50. All we ask is to give us the chance.

Mr. BRECKINRIDGE. What do you pay laborers in the production of this kind of an article abroad?

Mr. REMER. They vary from 3 marks according to the demand for the goods.

Mr. BRECKINRIDGE. What is the price paid the same class of labor in this country?

Mr. REMER. One dollar and $1.50. The difference is, some lines work girls in these factories. They are mostly girls who run the looms in Europe.

Mr. BRECKINRIDGE. What percentage would be the difference of the labor cost between Europe and here?

Mr. REMER. As between Europe and here?

Mr. BRECKINRIDGE. On these articles.

Mr. REMER. I can not tell you exactly.

Mr. BRECKINRIDGE. You pay from 50 to 75 per cent less for labor?

Mr. REMER. About 50 per cent.

Mr. BRECKINRIDGE. Does your labor produce as much for each dollar it receives as here?

Mr. REMER. No; they make more here. The labor will do more work here than in Germany.

Mr. HOPKINS. And for the same class of work?

Mr. REMER. They will do more here than in Germany.

Mr. HOPKINS. You pay 50 per cent less for the same amount of labor abroad than is paid here?

Mr. REMER. It is according to the demand in Europe. If the demand will be very great they have to pay more for weavers.

Mr. HOPKINS. Where is your establishment?

Mr. REMER. Crefeld, Germany.

Mr. DOERMER. The looms produce more here.

Mr. HOPKINS. The development of this industry since the adoption of the McKinley bill has been very marked in this country?

Mr. REMER. No; there is only about five factories started.

Mr. HOPKINS. They are furnishing the market with these grades of goods?

Mr. REMER. Only a small amount, and there is no demand for these goods to-day to amount to anything.

Mr. HOPKINS. Do you know anything about what they are producing and putting on the market?

Mr. REMER. No; I could not tell you.

Mr. DOERMER. He can not give the exact figures.

Mr. HOPKINS. Then you do not know whether the production has been a marked increase or not?

Mr. DOERMER. We know that the increase has not been so much as people expected.

Mr. HOPKINS. How do you know that if you do not know anything about the output?

Mr. REMER. We can judge how many looms each factory has.

Mr. HOPKINS. Do you know how many factories there are manufacturing this product now?

Mr. REMER. About five.

Mr. HOPKINS. Where are they located?

Mr. REMER. One in Bridgeport, two in New York, one in Philadelphia, and I think there is one in Paterson and one on Long Island.

Mr. HOPKINS. Are there more than those?

Mr. REMER. I think that is about all.

The CHAIRMAN. About how much of a dollar of your material is the labor cost?

Mr. DOERMER. Which material?

The CHAIRMAN. Of the foreign product you have there.

Mr. DOERMER. I could not tell you that, exactly.

The CHAIRMAN. How much of the American factory is the labor cost?

Mr. DOERMER. I should say the difference can not be very great. The looms here make so many more yards a day than the looms on the other side; therefore the difference is not very enormous.

The CHAIRMAN. Can you give an approximate answer to the question, of a dollar's worth of that American material; how much would you suppose was the labor cost?

Mr. DOERMER. Thirty cents, I should say.

The CHAIRMAN. In the common grades, then, that are less than 75 per cent of silk, what is the average duty, do you know?

Mr. DOERMER. The average duty on the common goods is between 90 and 125 per cent.

The CHAIRMAN. Then on every dollar's worth of imported goods there is a tax of 90 to 125 per cent?

Mr. DOERMER. Ninety to 125 per cent.

Mr. REMER. And some grades go to 135 per cent?

The CHAIRMAN. There is a tariff duty of 135 per cent on every dollar's worth of goods, of which you estimate there is 30 cents work on the original material?

Mr. REMER. Yes, sir.

Mr. HOPKINS. You say 30 per cent is the labor; are you a manufacturer?

Mr. DOERMER. No, sir.

Mr. HOPKINS. Have you ever been interested in it?

Mr. DOEMER. Yes, sir.

Mr. HOPKINS. Where?

Mr. DOERMER. Not here; I was on the other side.

Mr. HOPKINS. Are you interested in it now?

Mr. DOERMER. No; but I had a chance to get a mill here which was offered to me, but I would not take it because the duty is so high now I knew it can not last.

Mr. HOPKINS. Then you are satisfied this committee is going to reduce this so as to make it unprofitable for anyone to invest in it?

Mr. DOERMER. Not at all.

Mr. HOPKINS. Did not you say you declined to become interested in this business because this import duty can not last?

Mr. DOERMER. Exactly.

Mr. HOPKINS. And if it does not last, it is your judgment these mills can not run?

Mr. DOERMER. Excuse me, I do not want to have our proposition come that way. We want to have a duty that is likely to be for some time and then you will see capital come forth.

Mr. HOPKINS. But did not you say you declined to invest in this business because these duties would not last?

Mr. DOERMER. Exactly; I knew the duty would not last. I thought it would be changed, but I did not know what it would be.

Mr. HOPKINS. Then it would not be profitable to own a mill on this side of the water?

Mr. DOERMER. That depends upon how the change will be.

Mr. HOPKINS. Let me ask you another question. Are you an importer, or do you represent foreign manufacturers as their agent?

Mr. DOERMER. I represent foreign manufacturers, but at the same time domestic——

Mr. HOPKINS. You come before this committee as the agent of foreign manufacturers?

Mr. DOERMER. As agent of foreign manufacturers.

Mr. TURNER. Let him complete his statement; what else do you represent?

Mr. DOERMER. But at the same time we represent the domestic manufacturers, the domestic mills, so I can judge very well what the domestic mills can do in comparison with what foreign mills can do.

Mr. HOPKINS. What domestic mills do you represent?

Mr. DOERMER. The Astoria.

Mr. HOPKINS. Where located?

Mr. DOERMER. Long Island.

Mr. HOPKINS. Who is the general manager of the Astoria mills, can you give his full name?

Mr. DOERMER. I think it is Mr. J. Mattman.

Mr. HOPKINS. He is general manager of that mill?

Mr. DOERMER. Yes, sir.

Mr. REMER. If you ask any American manufacturer he will say that 50 per cent is satisfactory. Our proposition is to give him 75 per cent.

PLUSH.

(Paragraph 411.)

NEW YORK, *September 26th, 1893.*

SIR: The undersigned committee, on behalf of the New York velvet and plush importers, respectfully request to have the proposed rate of duty on silk pile fabrics, which was submitted to your committee on the 20th of this month, amended by adding: "But in no case shall the duty be less than 50 per cent ad valorem."

The passus in the original petition commencing: "We," etc., should therefore read:

We therefore propose to have the duty changed to $1.00 a pound and 15 per cent ad valorem for goods containing less than 75 per cent of silk and $3 a pound and 15 per cent ad valorem for all goods containing more than 75 per cent of silk, but in no case shall the duty be less than 50 per cent ad valorem, provided that there will be no change on the duties on the raw materials used for manufacturing these goods.

In case of a change the proportionate percentage should be taken off from the pound duty and the minimum rate.

Trusting that our request will be complied with, we remain, most respectfully,

FRED. J. REMER.
MAX DOERMER.

We recommend a reduction on the lower grades of 24-inch silk plushes from the present rate of duty to 50, upon the grounds that these plushes are mostly used by the working classes, who naturally require them as cheaply as they possibly can.

We further recommend a reduction of mohair plushes from the present rate of duty to the old rate of 35 and 40, upon the ground that the American manufacturers have not yet succeeded in making as nicely a finished plush, nor do they give as good a value for a larger amount of money as foreign manufacturers do, and that mohair plushes are used principally by the working classes on account of their durability and good wearing qualities.

We see no reason for a reduction on plain silk goods from the present duty of 50 per cent, and we rather recommend that the same be retained, as they are used mostly by the better classes, who can afford to pay the present values, and thus encourage the American manufacturer to improve under the present protection to that extent that American goods in finer textures may soon reach that standard which foreign fabrics have attained.

We further recommend a reduction in wool fabrics for furniture coverings to the old standard of 35 and 40, as many of the cheaper fabrics of this texture and construction are also used by the working people, and that the American manufacturer has up till now paid very little attention to the making of them, only seeking to make the higher grades in these fabrics rather than the lower ones; and as under the present tariff the duty is as high on one as on the other, it is natural that the cheaper fabric made abroad has such a heavy duty placed upon it that the American workingman can hardly use them at the prices which they must necessarily bring with the heavy duty.

COMMITTEE OF NATIONAL FURNITURE
MANUFACTURERS ASSOCIATION.
LEO AUSTRIAN,
Chairman.

MANUFACTURES OF SILK.

(Paragraph 414.)

NEW YORK, *September 22, 1893.*

SIRS: I am a manufacturer of silks in Emaus, Pa., and reside in New York City. The principal line I manufacture is silk in the gray, and converted after woven. This silk is made out of one fifth raw silk, which is free of duty, and four-fifths schappe silk, on which there is a

duty of 35 per cent. Labor and expense are about one-third of the cost of the material. These goods are largely imported, and are sold at lower prices in this market than our domestic goods can be sold for, although on these foreign goods there is a duty of 50 per cent ad valorem, and our competition is only balanced by the fact that our American silks are more reliable and better made than these foreign silks, therefore bought by experts in preference, although competition is very keen and fails in many cases.

Heretofore I imported these goods from Lyons, but a year ago I built a mill, thereby giving employment to all the female help in the town and suburbs, and quite a number of males. I had them taught, and they are now reliable weavers. Should the duty on this class of goods be lowered, it would cause me to stop manufacturing in this country and import again, as I did heretofore. The town of Emaus has suffered a great deal from not having employment for women, only for men who are working in the iron works, etc. Their wages for their daily labor alone are hardly sufficient to support their families. Since I located there prosperity has naturally sprung up, and it would be a great calamity to these people should they be deprived of their daily earnings.

Although this class of goods is one of the cheapest manufactured, nevertheless they are as much a luxury as any silk made. They are used entirely for draperies, etc. I wish to call the special attention of your honorable committee to the fact that these silks can not be classified with the higher grades, for the reason that the better goods are made entirely out of raw silk, on which there is no duty, and the labor is the same, and therefore only nominal in comparison with this cheap grade I quote, and in justice to all the manufacturers of this class of goods in this country it ought to be put on a fairer basis to meet competition a little more freely, either by advancing the duty on cheap grades or by lowering the duty considerably on schappe silk, which is classified as single thread, imported on paper tubes ready to put into the shuttle for weaving, and can only be used for that purpose, and it ought not to be identified with spun silk, which is manufactured to quite an extent in this country and used for various other purposes.

All of which I hereby respectfully submit to your due consideration, and remain respectfully,

PAUL GUMBINNER.

SCHEDULE M.

PULP, PAPER, AND BOOKS.

WOOD PULP.

(Paragraph 415.)

The manufacturers of wood pulp would respectfully submit the following statement:—

The duty on wood pulp under the present law is specific and fixes the rate—

	Per ton.
On ground wood pulp, dry weight	$2.50
On chemical wood pulp, dry weight (unbleached)	6.00
On chemical wood pulp (bleached)	7.00

The duty was, before the present law, 10 per cent ad valorem, and the new law did not increase or lower the duty; it was changed to the specific form to prevent the undervaluation which was found to be going on to a large extent.

The manufacture of wood pulp in this country is comparatively new; it began in a very small way about 1870. It has grown very rapidly since that time, and there has been a steady change from the use of rags in the manufacture of paper to the use of wood pulp.

The committee will observe that the present duty is among the lowest imposed upon any article of importation, and does not wholly compensate for the difference between the labor cost in this country and other competing countries, as shown by the constantly increasing importations. (See accompanying tables.)

There were imported:

Year ending.	Tons.	Value.	Year ending.	Tons.	Value.
In June 30, 1886	18,000		In June 30, 1890	48,889	$1,826,086
1887	32,000		1891	48,513	1,902,689
1888	39,349	$1,165,107	1892	41,118	1,820,143
1889	45,857	1,516,766	1893	63,565	2,908,884

It will thus be seen by these figures that the duty is practically a revenue duty.

These importations are chiefly from Norway, Sweden, Austria, and Canada.

Mechanical wood-pulp fiber is produced by grinding, which requires heavy and expensive machinery and large water power. Chemical fiber is produced by the use of chemicals and steam, and also involves an extensive and still more costly plants. In either product, an outlay for mill and machinery of from $15,000 to $20,000 for each ton of the daily product of a mill is required, according to the permanency of the machinery and structures.

The production and use of mechanical wood-pulp began about 1868. The manufacture and use of chemical wood-pulp fiber began at an earlier date, but was confined to one or two mills in Pennsylvania, until its manufacture and use became more general between the years 1870 and the present time.

Both of these processes were subject to patents, all of which have now expired. The introduction and use of these fibers were slow and difficult, there being a great prejudice among paper manufacturers against adopting them, and among paper consumers against using paper made from wood fiber. After a trial had been made, and prejudice removed, the manufacture and consumption increased rapidly until it has now reached the enormous daily production and consumption of about 3,100 tons.

The pulp mills are located in twenty-nine different States, and employ capital to the amount of at least $60,000,000, as shown by the following table:

Total daily product of wood pulp in the United States.

State.	Mechanical.	Chemical.	State.	Mechanical.	Chemical.
	Tons.	*Tons.*		*Tons.*	*Tons.*
California	10	20	Michigan	2	20
Colorado	12	4	New York	87½	171
Connecticut	.....	6	North Carolina	4½	.....
Delaware	.....	25	Ohio	20	30½
Georgia	6½	.....	Oregon	25	10
Illinois	10½	.....	Pennsylvania	37½	125
Indiana	69½	35	South Carolina	.....	5
Kentucky	10	10	Tennessee	2	.....
Maine	316	298	Vermont	144½	12
Michigan	.....	14	Virginia	.....	20
Minnesota	10	.....	Washington	6	15
Maryland	13	20	West Virginia	29	30
Massachusetts	60⅓	65	Wisconsin	236	148½
New Hampshire	132½	60			
New Jersey	.....	6		2,029	1,150

The yearly production of wood pulp fiber.

	Tons.	Value.
Ground wood fiber	608,000	$15,200,000
Chemical wood fiber	345,000	17,919,000
Total	953,000	33,219,000

Cost of labor to produce the same	$23,253,300
Chemicals (dutiable), lime, interest on plant, insurance, taxes, wood on the stump	9,965,700
Total value of yearly product	33,219,000

The number of men employed and cost of labor embraces the cutting, hauling, and preparation of the wood, as well as the men employed in the various establishments. In the United States no women or boys are employed.

The wood pulp industry employs fully 67,000 men in this country, affording support to over 335,000 persons.

Competition has reduced the price of chemical wood fiber from 7 cents per pound in 1870 to 2¾ cents, and ground wood fiber from 4½ cents in 1870 to 1¼ cents, now the selling price delivered at the mills.

The raw material used in the production of this fiber is wood, and its value in the forest, or in the stump, so called, is small, estimated from 75 cents to $1 per cord, which is not more than 5 per cent of the total cost of the pulp.

There are few, if any, manufactured products in this country, the cost of which is so largely made up of labor as wood-pulp fiber.

The cutting and transportation of the wood to the mill, its preparation at the mill and the skilled labor employed in its manufacture, constitute fully 70 per cent of its value, or a much larger per cent, if you follow the labor cost into coal and other materials entering into its manufacture, the balance representing imported chemicals, lime (a native product), the interest of the money invested in the plant, insurance, taxes, repairs, etc.

We wish here to especially call your attention to a very important fact connected with the manufacture of wood-pulp fiber in this country, which is, that some of the principal woods (poplar and cotton woods) used in its manufacture are of very little value for other purposes, being of too inferior a growth to be considered even of value for fuel. They grow profusely in every State in the Union, and have a very rapid growth, reaching their maturity in a few years, then going to decay unless used.

Therefore to encourage the transfer of this large and growing industry to Norway, Sweden, Austria, and Canada, where they have cheap labor, cheap wood, and water power, not only deprives our people of a large capital investment, a large number of laborers of employment, but our farmers and landowners of a ready market for their inferior woods.

Wood pulp is manufactured extensively in Norway, Sweden, Finland, Germany, Austria-Hungary, and Canada, countries having cheap wood and water power, cheap chemicals, and cheap labor. At present the industry of the United States is most affected by competition with these countries.

Canada has extensive forests, abundant water power, and cheaper labor than our own, and, lying along our border, will absorb this industry if the tariff is reduced.

Norway and Sweden have also special advantages. Labor is very cheap—about one-third our own; inexhaustible water powers and forests; easy and cheap communications with the shipping ports, such as Christiania and Gothenberg, whence low freights are obtained to American ports.

Finland, with its numerous lakes, its extensive forests, its labor—cheaper far than in Sweden and Norway—and its low water freights to this country, either direct or by way of London or Hull, will become another formidable competitor.

Wood delivered at the mill in Finland costs from $1.90 to $2 per cord; in Sweden and Norway, form $2.90 to $3; in the United States, from $5 to $9.

The chemicals used in the manufacture of chemical fiber are cheaper in these countries, having free admission into Norway and Sweden.

In Finland the labor employed in pulp mills costs from 25 to 30 cents per day. In pulp mills in Norway and Sweden the men are paid from 30 to 50 cents per day. A large number of women are also employed at from about 12 to 20 cents per day. In the United States no women are employed.

Comparative exhibit of wages paid to help in chemical pulp mills in the United States, Germany, and Austria:

	United States.	Germany.	Austria.
Foreman in digester room	$3.00	$1.00	$0.68
Foreman in acid room	2.00	1.00	.52
Foreman in machine room	3.00	.88	.60
Foreman in wood room	2.75	1.00	.72
Cookers	2.50	.75	.42
Acid makers	1.50	.60	.36
Wood-room help	1.50	.50	.32
Repair men	2.50	.75	.43
Machinists	3.00	.88	.56
Pipers	2.50	.82	.46
Carpenters	3.00	.75	.51
Millwright	4.00	1.00	.77
Brick masons	4.00	.88	.56
Lead burners	5.00	1.25	1.26
Blacksmiths	2.50	.75	.54
Common labor	1.40	.57	.33
Common labor yard	1.40	.50	.31
Women	.....	.25	.23
Children	.....	.13	.13

For Austria the average figures for three of the largest mills were taken. In making the comparisons, we have taken the actual help employed in a large mill in the United States, and equal amount of help at the prices paid for help in Germany and Austria. The result shows the cost of a ton of pulp for labor employed in making the pulp in the United States (exclusive of the cost of labor of cutting and hauling the wood) to be $13.27 per ton, and in Germany $1.49 per ton, and in Austria $2.83 per ton, a difference of $8.78 per ton as against Germany and $10.44 per ton as against Austria, which shows that the duty of $6 per ton does not compensate for the difference in the price of labor.

A corresponding difference in labor exists in the manufacture of ground-wood pulp.

In view of the fact that wood-pulp fiber has become so important an industry in so many States in the Union, so recently established, engaging such a large capital, employing such a large number of adult laborers at such remunerative wages, and consuming so much wood of so little value for other purposes, the wood-pulp interest respectfully request that the present duty be maintained.

A. G. PAINE,
Representing the Wood-pulp, Chemical Fiber, and Wood-paper Interests.

PAPER.

(Paragraph 419.)

Representative SPERRY. Mr. H. R. Coffin was before the committee last week, and has forwarded his statement in writing. He is interested in the manufacture of tissue paper, and has been since the McKinley-tariff act went into effect. He has enlarged his plant. He is interested in tariff Schedule M, 419, Tissue paper.

I will state on behalf of Mr. Coffin that on the faith of this schedule he has enlarged his plant, and is making a considerable quantity of paper. He desires that the tariff should remain as it is. It is now not very heavy. He has a fraction of the trade. He has attached to his

paper a statement from the Bureau of Statistics showing that we imported last year 1,091,982 pounds, valued at $185,313, which is a large percentage of the total amount consumed.

WINDSOR LOCKS, CONN., *September 19, 1893.*

DEAR SIR: We submit the following statement regarding present tariff laws, Schedule M, and so much of paragraph 419 as follows:

Paper known commercially as copying paper, filtering paper, silver paper, and all tissue paper, white or colored, made up in copying books, reams, or in any other form, at 8 cents per pound, and in addition thereto 15 per centum ad valorem.

The imports for consumption of paper under this clause for the year ending June 30, 1893, as per letter herewith annexed, just received from Worthington C. Ford, Chief Bureau of Statistics, Treasury Department, amounted to as follows: Pounds, 1,091,982; value, $185,313; duties paid, $115,156.

It is the belief of ourselves and the other paper manufacturers we represent that the 500 tons of paper imported as stated above embraces about one-half of all the paper cousumed in this country, of the kinds referred to in above paragraph 419. The remaining half, or 500 tons, that is made in this country, is nearly if not fully equal, we believe, in quality to the foreign manufactured paper.

All the above paper enumerated in Schedule M, paragraph 419, of which there has been made the past year, in this country, we estimate to be 500 tons; none of this paper was made in this country previous to October, 1890, owing to the prevailing low ad valorem duty of 25 per cent previous to October, 1890.

Owing to the competition among the paper manufacturers of this country, the present market prices of these papers, made by us, have been reduced at the present time nearly to the prices formerly paid for foreign papers previous to October, 1890. These papers enumerated in paragraph 419 are largely used for special purposes by domestic manufacturers, many of whom are unwilling to change to domestic-made goods. There seems to be no reason for this, except a dislike to change from a settled habit or from a prejudice to home-made paper, and they are willing to pay more for the paper of the foreign make than for the same quality of homemade goods, although others use for the same purpose the domestic paper to their entire satisfaction; therefore the consumption of foreign papers under this paragraph 419 is a matter of luxury and not of necessity.

We pray you not to make any change in the duties collected under paragraph 419, for as a matter of revenue you are justified to let them remain unchanged.

Under the tariff law in effect previous to October, 1890, the duty levied was, we believe, 25 per cent ad valorem on the same papers, which were classified with writing papers and a number of other papers; according to foregoing estimate that half of these papers consumed in this country are of foreign manufacture, we would say supposing that all these papers were made abroad and twice the quantity thus imported for the year ending June 30, 1893, the amount of duty collected on these papers at 25 per cent ad valorem would amount to $92,656, which is $23,500 less than the amount actually collected, as per annexed letter from Bureau of Statistics, upon half of the quantity of this paper.

It is believed by us that nine-tenths of the paper enumerated in paragraph 419 is nearly, if not quite all, substantially the same value per pound; therefore the specific duty of eight cents per pound is fair and equitable upon all these papers as a class.

We submit that we have been to a great expense in putting in new machinery into our paper mills to make the special papers since October, 1890. The raw material used in making these papers, such as linen, threads and other linen stock, is admitted free of duty under the present tariff, and nearly all this stock used by domestic manufacturers is imported from Europe at the present time. That we labor under further disadvantages, in that the foreign papers manufactures are able to secure from the linen and flax mills of Europe by their long business relations their selection in their supply of their raw material, and we are obliged to take what we are able to get through the paper-stock importers of this country, yet we have up to this date succeeded in supplying one-half of all the paper used in this country of the kinds enumerated in paragraph 419 by the different consumers of these papers, in face of their natural disinclination to change from the foreign only as we are able to convince them that the quality of our papers are practically as good and the prices are less than papers of foreign manufacture.

The paper industry of this country, in our lines of manufacture, to-day is very much depressed, and two mills that have made these papers in competition with ourselves have become bankrupt, and are in the hands of the receiver. The prices at present we are getting for these papers are very close to cost, owing to high wages we are paying our workmen, and the item of labor being such a large factor of the special kinds of paper enumerated under paragraph 419—and should you reduce the present duty on foreign paper, we fear the result would be disastrous to the paper industry and workmen employed therein in this country, as represented by ourselves, therefore we humbly pray you to allow the present duty under paragraph 419 to remain unchanged.

Respectfully submitted.

HERBERT R. COFFIN,

(Of the firm of C. H. Dexter & Sons, Windsor Locks, Conn., who also represents, by request, the Diamond Mills Paper Company, office 44 Murray street, New York; the Jersey City Paper Company, Jersey City, N. J.; the Smith Paper Company, Lee, Mass.; all paper manufacturers of the special grade enumerated in Schedule M, paragraph 419, in the present tariff bill now in force.)

SEPTEMBER 19, 1893.

DEAR SIR: In reply to your request I have to inform you that the imports for consumption during the year ending June 30, 1893, of papers were as follows:

Papers known commercially as copying paper, filtering paper, silver paper, and all tissue paper, white or colored, made up in copying books, reams, or in any other form: pounds, 1,091,982; value, $185,313; duty, $115,156.

Respectfully yours,

WORTHINGTON C. FORD,
Chief of Bureau.

Mr. H. R. COFFIN,
Windsor Locks, Conn.

LEAF METAL COATED PAPERS.

(Paragraph 420.)

BALTIMORE, *September 13, 1893.*

SIR: The undersigned respectfully submits that he is engaged in the manufacture of paper boxes and sundry articles made from paper of all kinds. Among the articles used in the manufacture of our goods we import largely of "leaf metal coated papers" subject to a duty of 35 per cent ad valorem as "surface coated paper." (See Schedule M, paragraph 420.)

My object in calling the attention of your honorable committee to this article is to simply point out the facts that:

First. This paper has never been made in this country, indeed never has there been an attempt to make it so far as I know, and in all likelihood it will not be made in the near future, if ever.

It is now made in only one country, Germany.

Second. Most goods that are made of this article on the other side are admitted subject to a duty of only 35 per cent as manufactures of paper. (Schedule M, paragraph 425.) Hence a discrimination of 10 per cent against the American manufacturer. Your subscriber respectfully asks that your honorable committee consider the advisability of admitting "leaf metal coated papers" free of duty, or if this can not be done to place the American manufacturer on an equal footing with the foreign producer of articles made from this product. I submit some samples of the paper and goods manufactured therefrom and shall be glad to answer such questions as your honorable committee may deem proper to ask in elucidation of what is here set forth.

Respectfully submitted.

GEORGE FRANKE.

PAPER.

(Paragraph 420.)

NEW YORK, *September 21, 1893.*

SIR: We beg to call your attention as briefly as possible to the question of the present ad valorem duty imposed on lithographic productions, to the difficulty experienced in ascertaining the market value of the goods abroad, to the constant undervaluation by the importers which consequently results in a practical reduction of the duty, and to the advisability of changing the method of collecting the duty from ad valorem to specific, and, incidentally, to the importance of the lithographic industry as at present conducted in the United States.

THE LITHOGRAPHIC INDUSTRY IN THE UNITED STATES.

No accurate statistics of the lithographic industry in the United States exist, as far as we are aware, but the statistics of the National Lithographic Association (which embraces sixty-six firms in twenty-two cities of the Union) show that the various members of that association gave employment in the year 1891–'92 to 5,903 hands, and had a capital invested in their business of $7,806,500. It is a fair assumption

that the association in question does not include more than 33⅓ per cent of the lithographic industry, many of the largest establishments in New York city, and hundreds of smaller firms throughout the Union not being members of the association, therefore it may be assumed that the capital invested amounts to nearly $24,000,000, and the number of hands employed to 18,000. While this is simply an estimate, we are convinced that it is not far out of the way.

The American Lithographic Company alone gives employment to 2,065 hands, has an invested capital of $3,600,000, and paid for labor during the year ending June 30, 1893, $1,336,170.92; the percentage of labor to the cost of materials and labor being 42.8 per cent.

TARIFF.

Paragraph No. 420 of the tariff law of 1890 provides as follows:

Papers known commercially as surface coated papers, and manufactures thereof, cardboards, lithographic prints from either stone or zinc, bound or unbound (except illustrations when forming a part of a periodical, newspaper, or in printed books accompanying the same), and all articles produced either in whole or in part by lithographic process, and photograph, autograph, and scrap albums, wholly or partially manufactured, thirty-five per centum ad valorem.

It will be noticed that lithographic prints are grouped with "surface-coated papers, and manufactures thereof, cardboards, photograph, autograph, and scrap albums," all of which are subject to a duty of 35 per cent ad valorem, with the exception of "lithographic illustrations when forming a part of a periodical, newspaper, or in printed books accompanying the same," which articles are covered by paragraph No. 423 and are subject to a duty of 25 per cent ad valorem.

Here it may be mentioned that "surface coated papers, and manufactures thereof," and "cardboards," while of themselves not raw materials, are part of the raw material used in lithography, and it seems hardly scientific to impose the same duty on both the raw materials and the finished product; while "photograph, autograph, and scrap albums" have no possible connection with lithography, except that sometimes lithographic printing is a component part of photograph, or autograph albums, forming, however, but a small part of their cost, while lithography has no possible connection with scrap albums.

The lithographic industry would be fairly satisfied with the duty of 35 per cent ad valorem, providing it could be equitably and honestly collected, although the differences which exist in the cost of materials, and, more particularly, in the wages paid to employés in Europe and in the United States, would warrant a much higher rate. From a pamphlet entitled, "Statistics of Labor of German Trades Unions for the Year 1891, Compiled from Statements by Labor and Local Unions, by Albert Pioch and Carl Schumacher, Members of the Central Committee, Berlin, 1892," and from other sources, we find the following be the average current rate of wages paid to lithographic artisans i the cities of Bautzen, Berlin, Crefeld, Dresden, Dusseldorf, Frankfort, Halle, Leipzig, and Neu-Kuppin:

	Weekly wages.	Hours per week
Crayon artists	$8.12	57 to
Transferrers	7.00	
Provers	7.00	
Printers	5.25	
Feeders	2.37	
Boys and apprentices	1.12	
Foremen	16.75	

The average wages paid in New York City to similar employés are as follows:

	Weekly wages.	Hours per week.
Crayon artists	$28.00	47
Transferers	28.00	53
Provers	26.00	53
Printers	25.62	53
Feeders	9.00	53
Boys and apprentices	6.00	53
Foremen	52.60	53

Average of the foregoing tables.

	Germany.	New York City.
Crayon artists	$8.12	$28.00
Transferers	7.00	28.00
Provers	7.00	26.00
Printers	5.25	25.62
Feeders	2.37	9.00
Boys and apprentices	1.12	6.00
Foremen	16.75	52.60
	47.61	175.22
Average	6.80	25.01

Averaging these seven classes, as per above table, we find that the average weekly wages paid in New York is $25.01 against an average weekly wage paid in Germany of $6.80, so that, roughly speaking, the rate of wages paid to lithographic artisans in Germany is one-quarter of that paid in New York City (the rate of wages throughout the United States is, with trifling exceptions, the same as that paid in New York), in addition to which the hours of labor in Germany exceed those of the United States by nearly 12 per cent.

Similar disparities exist in many other items which go to make up the cost of production, such as rents, insurance, paper, lithographic stones, inks, Dutch metal, chemicals, etc., all of which cost more in the United States than in Germany.

For instance, take the item of Dutch metal, or gold leaf, as it is sometimes called. The European market price of this article is $1.17½ per pack of 2,500 leaves, size 3⅞ by 3⅞ inches. The American market price of the same article is $3.65 per pack. It requires 2,300 leaves to gild 1,000 inside cigar labels, which, at the European market price of $1.08 plus 35 per cent duty on the metal on the finished lithograph, would be $1.46 against a cost of $3.36 for the metal bought in this market by the domestic manufacturer. (The present duty on Dutch metal is 8 cents per pack of 100 leaves, equivalent to an ad valorem duty of 170 per cent, a rate which is prohibitive so far as lithography is concerned.) It may be added that as far as known by us, Dutch metal is not manufactured in this country.

Anyone who has had any dealings with the custom-house must be aware how difficult it is to obtain information regarding importations, the customs authorities refusing to give information unless a definite case is presented to them, so that we are not at present able to give as many instances of the undervaluation of lithographic goods as we would wish, nor is it easy for the American manufacturer to ascertain what the market value of the goods is abroad, as no open market exists,

lithographic goods being almost invariably consigned to an agent or branch firm in the United States.

In the case of lithographed cigar labels we have, however, been able to arrive at a very good idea of what the market value would be in Germany, and in repeated instances have succeeded in having the sworn invoices increased in value. The goods imported, for instance, by Gebrüder Klingenberg, of Detmold, have always been grossly undervalued, and although the custom-house authorities have added to the cost of production (as sworn to by a member of the firm of Klingenberg) at first 8 per cent, then 18 per cent, subsequently 28 per cent, and at last 38 per cent, to the declared cost of production (see letter of Consular Agent George H. Murphy, Exhibit No. 1), the goods are still imported and invoiced to their agents, Messrs. Eckmeyer & Co., of New York City, at from one-third to one-half of a fair foreign market value.

As an illustration, on their original invoice of May 24, 1893 (see copy annexed, Exhibit No. 2), they gave the cost price of the inside label, "August Belmont," as 18.38 marks, say $4.59½, and of "August Belmont" outside label as 8.14 marks, say $2.03½, or a total of 26.52 marks, or $6.63. This valuation was raised by the custom-house authorities on the inside "August Belmont" label to 28.38 marks ($7.09½) and on the "August Belmont" outside label to 11 marks ($2.75), or a total of 39.38 marks, equivalent to $9.84½, or 38 per cent added in all to the declared cost of production (see corrected invoice, Exhibit No. 3) for 1,000 sets inside and outside labels, while the goods in question weresold to their customer in New York at $31 per 1,000 sets.

Can anyone believe that there is any such profit as this in manufacturing and selling these goods? $6.63 being the sworn cost of goods made in Germany and sold here for $31, nearly 468 per cent, or taking the raised value of $9.84½ sold at $31, it still shows the fabulous profit of 315 per cent, less, of course, the duty of 35 per cent paid on the raised value of $9.84½.

Apparently the Messrs. Klingenberg have succeeded in convincing the consular agent at Hanover that there is this immense profit in the lithographic business, for in his letter of June 15 (Exhibit No. 1, referred to above), he writes as follows:

> Under the law as it stands, I am convinced that Messrs. Gebrüder Klingenberg have done nothing to cast a shadow on their honesty. If it is true that there is an immense profit in this consignment business, the fault—as I pointed out in a recent report which was forwarded to the Department of State, as an inclosure in his dispatch on the subject, by the consul-general in Frankfort—lies not in the dishonesty of the shipper, but in the provision of the law which causes the duty on consigned wares to be based not on the price paid by the purchaser in America (as with other wares), but upon a foreign market value which, in many cases, does not exist.
>
> * * * * * * *
>
> All that remains, therefore, is to decide how much must be added to the cost of production to make Detmold market value. At first 8 per cent was added; the special agent, Montgomery, reported to the honorable the Secretary of the Treasury that 18 per cent should be added to make the fair market value; subsequently it was decided that 28 per cent must be added, and quite recently, I am informed, the late appraiser of New York added 10 per cent more, or 38 per cent, to the cost of production.

Another illustration can be found in the label "Raphael," which appears in the same invoice, originally billed at the same price as the "Belmont," or $6.63 per 1,000 sets, which was raised by the custom-house to $9.85, and sold to their customer in this market on an order for 25,000 sets of a duplicate edition at $22 per 1,000 sets in and out labels.

Royal Foreman

ote here that the Messrs. Klingenberg invoiced a first edition of mont" labels on a small order of 10,000 sets, which necessarily ded the cost of drawing, at the same price that they invoiced a icate edition of 25,000 sets of "Raphael" labels, on which, of se, no cost of drawing had been incurred.

or a third illustration take the label "La Francesca" (see copy of ice, Exhibit No. 4), which is of the same quality, workmanship, number of colors as the two labels above quoted, invoiced by the rs. Klingenberg at $6.93 per 1,000 sets inside and outside labels, h was raised by the custom-house to $9.21¾ per 1,000 sets on an r for 10,000 sets, and compare this with the "Raphael" and gust Belmont" labels, which, although varying in the proportion vo to five in the size of the edition, are invoiced at the same cost, reas "La Francesca," which is of the same style and quality of and was printed in an edition of the same size as the "Bel-t," was originally invoiced at a higher valuation than the "Bel-t," but was only raised by the custom-house to $9.21¾, whereas "Belmont" label was raised to $9.84½.

e can further prove that our claim of under valuation is correct by mportation of labels, "Chariot design," made by Schumacher & nger, of this city, the labels in question having been bought by Messrs. Jacques Van Houten & Co., of Rotterdam, Holland, from firm of Herman Schott of Rheydt, Germany, and shipped by the er to Schumacher & Ettlinger (see copy of invoice, Exhibit 5), which s the market value in Europe of the "Chariot" label to be $22.50 thousand, which label is of the same size, number of colors and of work as the "Mountain Rose" label, which was invoiced by genberg at $9.02 (see copy of invoice annexed, Exhibit No. 4), the untain Rose" label moreover being a trade-mark design, restricted e use of one manufacturer, while the "Chariot" label, imported by macher & Ettlinger from Messrs. Jacques Van Houten & Co., is ck design sold to every one; therefore, the "Mountain Rose" must ssarily have cost much more to produce than the "Chariot," on unt of the larger edition which could necessarily be sold of the ariot."

mples and price lists of Messrs. Klingenberg, Wiegand & Frank, cher, and Herman Schott, can be produced, showing the prices at h they sell labels in this country; they also show that the average obtained in New York for a label like "Raphael" or "La Fran-a" is $45 per 1,000 insides, less a trade discount of about one-third, 30, while their sworn invoice, as raised by the custom-house, shows luation of only $7.10 per 1,000.

ny other instances could be adduced, but we think the foregoing lusively proves the fact of the systematic undervaluation of this of lithographic products, and there is no doubt but that all litho-hic products are similarly undervalued.

many lithographic products the cost of designing and the placing lesign on stone, preparatory to printing (making the plates), forms ge part of the first cost, hence a second edition can always be pro-d much more cheaply than the first.

e appraiser can not tell which is the first and which is the second on, neither can he tell how large a sheet was printed, or how many ts constituted the edition; in fact, he has no facts to guide him in ing at the cost or the market value of the goods abroad; how, can an advalorem duty be efficiently collected?

e assert, without fear of successful contradiction, that no invoice of

lithography, stating that the goods invoiced was a first edition and included the cost of designing and drawing on stone, or that it was a second edition, has ever been presented at the New York custom-house.

THE REMEDY.

In our opinion the remedy consists—

(1) In placing lithographic products in a class by themselves, putting "surface-coated papers" and "cardboards" in a separate class and "photograph, autograph, and scrap albums" wherever they may properly belong.

(2) By imposing a specific duty on lithographic products instead of the present ad valorem duty.

Doubtless there are difficulties attending the levying of a specific duty, but these difficulties are no greater than those existing at present, when goods under an ad valorem duty sold at $31 per 1,000, and goods sold at $22 per 1,000 are invoiced at one and the same price (see invoice of "Belmont" and "Raphael" labels, Exhibit No. 2), while conditions exist in the manufacture which make the cost of production much larger on one than on the other, the small order of 10,000 sets of "Belmont" labels, which was a first edition and included the cost of drawing, being invoiced at the same rate as the large order of 25,000 sets of a second edition of "Raphael," where no drawing had to be included.

To arrive at a basis for a specific duty we give the lowest possible market valuation of four classes of labels and cigar brands, representing the principal, or, say, 90 per cent of the principal importation of these goods; deducting from that market valuation the largest possible discounts which may be reserved for agents and commissions, say 25 per cent, taking the average weight of 1,000 labels, on such stock as would be of sufficient thickness to produce the work to be 10 pounds, a duty of 60 cents per pound on the average valuation of four different qualities would be lower than the present duty of 35 per cent ad valorem, as illustrated by the following table:

Table showing European market price of free designs sold to everybody:

Inside label.	Per M.	Per M.	Less—		Weight of one thousand inside.	Specific duty per pound.
			25 per cent com-valorem	35 per cent ad voralem.		
	Mark.				*Pounds.*	
2 colors and gold leaf, embossed	100	$25.00	$18.75	$6.56	10	$0.65 9/16
2 colors and bronzee, mbossed	80	20.00	15.00	5.25	10	.52 1/16
2 colors, not embossed	60	15.00	11.25	3.93	10	.39 3/16
Bands: Bronze (3 marks) / Gold leaf (4 marks)	*31½	.87½	.65⅝	.23	¼	.92
						2.49¾
Average						.62 7/16

*Average.

We base the above calculations on the market price in Europe on such as are free selling designs; that is to say, prints that are sold to everybody from stock, and not such designs as represent trade-marks expressly made for one manufacturer, which necessarily command a

higher price on account of the smaller edition printed and sold and from their being restricted to one purchaser.

The thickness of paper on which we base the above calculations is known to the trade as six points (0.006 of an inch), and to be fair toward foreign manufacturers we would propose to tax the thickness above six points with only as much as the present duty on the paper alone would amount to, which is as follows:

A paper of the size 20 by 24, gauging six points, weighs 94 pounds to the 1,000 sheets, a paper of seven points thickness weighs 114 pounds to the 1,000 sheets, therefore, one point on 1,000 sheets of 20 by 24, or 480,000 square inches, would represent 20 pounds of paper, which at the European value of 15 cents per pound would amount to $3 for 20 pounds, which at a duty of 35 per cent ad valorem would amount to $1.05. Each additional point of thickness or fraction thereof above six points would therefore pay 2¼ cents for 10,000 square inches, or on 480,000 square inches, $1.08.

While these remarks and calculations more particularly refer to lithographed cigar labels, the principle is applicable to all lithographic productions, and should be applied to all, excepting lithographic "illustrations when forming a part of a periodical, newspaper, or in printed books accompanying the same," on which no change in the rate of duty or the method of collecting it is suggested.

Should your committee conclude that it is not advisable to change the method of collecting the duty as suggested above, from ad valorem to specific, we would then respectfully urge that the committee advise that the duty on consigned wares be based on the price paid by the purchaser in America, and not upon a foreign market value, which, to quote from a letter of Consul general Murphy, of Detmold, dated June 15th (Exhibit No. 1) "does not exist."

To substantiate the statements herein made, we would be pleased at any time to submit original or certified copies of the invoices referred to, samples of the various labels referred to, and other lithographic productions, and any further information which may be desired.

Trusting that the statements herein made will receive the careful consideration of the committee, we remain,

Very respectfully, yours,

AMERICAN LITHOGRAPHIC COMPANY,
By G. W. DONALDSON,
Second Vice-President.

PAPER.

(Paragraphs 421 and 425.)

THURSDAY, *September 7, 1893.*

STATEMENT OF MR. W. B. JOHNSON FOR G. B. HURD & CO., OF NEW YORK.

Mr. CHAIRMAN: I wish to speak in regard to the manufacture of paper, referring to note paper, envelopes, cut cards, and such. Now it is contended that a specific duty on envelopes as imposed by the customs tariff of 1890 was not equitable, because envelopes which cost 50 cents per thousand were taxed 25 cents per thousand, while the same tax of 25 cents per thousand was imposed on envelopes which were valued at $10 or over per thousand, consequently the tax of 25 cents per thousand

on envelopes which represented a cost of $10 per thousand was absolutely nothing. Now as to the manufactures of writing paper, that is writing paper from flat sheets—it comes in large sheets 21 by 33 and numerous other sizes. The manufactures of writing paper were taxed ad valorem, but the tax was inequitable because no classification of the products of such manufacture was made. That is to say, envelopes, which were taxed very low, cut paper, cut cards, and all that sort of thing were taxed just exactly the same as the unmanufactured product and not considered as far as the manufacture of stationery was concerned.

Now there are two or three things here which suggest themselves. The duty suggested on writing paper in the flat, that is writing paper which comes in large sheets, that is suggested on this proposed revision or proposal for revision, is just exactly the same as that which was suggested in the present tariff, the Mills bill, and the prior bill—that is a duty of 25 per cent ad valorem upon the flat papers. The manufactures of papers are products of labor requiring qualified workmen and women in each department, the wages of such employés representing a large percentage of the value of the finished product. Now the tax on the manufacture of writing paper into envelopes, note and other sizes should be higher than on the flat sheet, because another process of manufacture has been involved which requires the employment of an increased amount of labor. The work in manufacturing writing paper into embossed and black bordered paper, that is the paper which is commonly used for mourning purposes, or embossed paper for crests, monograms, and heraldic designs, is an art. That is all done by hand and it requires skilled workwomen who get large wages, and it entails still more extra labor and is another process of manufacture and should be taxed still higher than either of the products above mentioned. That is, this paper or plain envelopes and paper is made without any embossing or designs or black border (which is an art and which requires skilled hands to perform that part of the labor). Now, the point is, that this industry has not heretofore been considered at all; that is to say, it has not been considered over and above the manufactures of flat papers. These manufacturers do not produce any paper, they manufacture the paper after it has been produced and is sent to them in sheets, and the duty upon that as I said is 25 per cent ad valorem, and there is no increase of duty upon the manufactured products of these manufacturers.

Mr. HOPKINS. Then your idea is the duty should be increased in proportion to the skill and labor put on these papers?

be enabled to enter into a fair competition with outsiders, with foreign-

Mr. JOHNSON. That is exactly what I mean—in order that we should

ers.

Mr. DALZELL. Is very much of that done abroad?

Mr. JOHNSON. Yes, sir. Until three years ago all the stationery used in the House of Representatives and Senate of the United States was imported paper. That was Marcus Ward's imported paper, who send their stationery right straight along. That is the good quality of stationery, not the cheap quality. For that matter we manufacture Marcus Ward's paper into envelopes here ourselves, and in doing that we have to compete against Marcus Ward's people on the other side, who manufacture the paper and send over their manufactures. We are perfectly willing to enter into a fair competition, whether in this country or in Europe, but we want to have a fair fighting chance with them. Now, our proposition is this: Paper, writing, in flat sheets, unruled and un-

printed, 25 per cent ad valorem, which is what it has been in all bills that have been established or proposed.

Mr. HOPKINS. And is now?

Mr. JOHNSON. Yes, sir. That does not affect us, because we do not make it; we get it in the flat. Now, for paper, writing, manufactured into envelopes, note, letter, and other sizes, for correspondence and other purposes, 35 per cent ad valorem. We think that would be a fair duty.

Mr. BURROWS. What is it now?

Mr. JOHNSON. It is exactly the same as the flat paper; it has not been recognized at all. Then for paper, writing, manufactured, and black-bordered, into envelopes, note, letter, and other sizes, for correspondence and other purposes, 45 per cent ad valorem. That process of manufacture is in a good many grades, and the cheapest process of black border costs $2 a thousand envelopes, so that much is added to the value of the envelopes over other envelopes of the same quality. Then for black-bordered cards—that is, the ordinary visiting cards—40 per cent ad valorem, because the process of manufacture and cutting the card is not so much as making the envelopes and paper, and the 40 per cent duty would be equitable for that.

Mr. DALZELL. What you want is a new classification?

Mr. JOHNSON. Yes. There has never been a classification on that class of goods.

Mr. JOHNSON. The next is paper, writing, manufactured into envelopes, note, letter, and other sizes, for correspondence and other purposes, stamped, embossed, illuminated, printed, lithographed, or decorated from dies, stones, or otherwise, 50 per cent.

Mr. HOPKINS. You put one duty at 35 and the other at 45 per cent, etc.; I wish you would elaborate your ideas on that and show the committee why you think those two amounts would be equitable and just not only to the manufacturers but to the consumers?

Mr. JOHNSON. Yes, sir; I will do so. The 35 per cent duty will be upon the plain envelopes and paper, no matter what their cost. They would be plain envelopes and paper without any design, either heraldic or otherwise, or any black border. That would represent one process of manufacture. They are finished and they can be black-bordered or not, as we please. If we chose to black-border them, that is another process of manufacture which requires to be performed by hand labor. Our people are hand-labor employés. The finest stationery is made by hand.

Mr. DALZELL. That has no protection now at all?

Mr. JOHNSON. It is protected just exactly the same as the flat paper; there is no protection in the manufacture of it.

Mr. TURNER. Where is your business?

Mr. JOHNSON. The business I represent is George B. Hurd and Company, 77 and 79 Beekman street, New York; I am interested with them.

Mr. TURNER. You are a member of the firm?

Mr. JOHNSON. I am interested with them.

Mr. TURNER. Have you been long connected with that establishment?

Mr. JOHNSON. Ever since it started, about ten or twelve years ago.

Mr. TURNER. And the business of cutting and preparing this paper has been continued all this time?

Mr. JOHNSON. Yes, sir.

Mr. TURNER. And it had been an industry in this country for a great many years more before you went into the business? Now, what

condition has arisen that makes it necessary to impose a duty which has never been imposed before?

Mr. JOHNSON. The point is we consider the tariff should be equitable, arranged to meet——

Mr. TURNER. I am not talking about the question of equity between you and those who manufacture the flat paper, as you call it, but what is there that has changed your situation or your relations to the public that would justify you to ask us to tax them?

Mr. JOHNSON. It is natural that we want to have an opportunity to compete on fair lines with the foreign trade. That is the purpose, of course, of the business.

Mr. TURNER. But you have been working without any protection in your business all this time?

Mr. JOHNSON. Yes, sir; but we have not been able to do as much as we could with a little protection—that is to say, the product of the English and Scotch houses is more largely used in this country than we think it should be.

Mr. TURNER. You have recently without any special duty been able to drive out the English goods from consumption here by Congress?

Mr. JOHNSON. It is true by making a special effort the Whiting Paper Co., who are represented and interested as we are, were able to secure the trade of the United States Government; how they did it I do not know.

Mr. HOPKINS. It was a matter of patriotism more than business?

Mr. JOHNSON. I presume it was a matter of patriotism, from what I understand.

Mr. TURNER. You are not now actuated by a mere patriotic motive?

Mr. JOHNSON. Since the United States has already purchased their supplies, I hardly feel patriotic enough to say we are.

Mr. GEAR. Do the foreigners compete with you largely?

Mr. JOHNSON. Yes, sir; very largely; but it is in the very fine grades of paper, which are used by the best people.

Mr. GEAR. The imports are large?

Mr. JOHNSON. Very large.

Mr. GEAR. If we give you this increased duty; if we should so decide, you could increase your trade and keep out the foreigners?

Mr. JOHNSON. We expect to be able to increase our trade in the very highest grades of paper.

Mr. GEAR. Without an increase of price?

Mr. JOHNSON. Without an increase of price.

Mr. HOPKINS. This class of paper that you speak of is used largely by people of means, is it not?

Mr. JOHNSON. It is used almost exclusively by people of means. It is the fine quality of paper, but there are many of these people who will not take American paper simply because it is American. They would prefer to have something with a royal crown or some other device stamped upon it.

Mr. HOPKINS. Then this reclassification would not affect the great mass of the people for whom Mr. Preston appears here?

Mr. JOHNSON. It certainly would affect the consumers of the high goods, but not the low-class goods.

Mr. TARSNEY. How would it affect the consumers of the high-class goods?

Mr. JOHNSON. It would affect us more than them in making us able to supply them with the paper they need, and prices would not be any greater.

Mr. TARSNEY. You said it would affect the consumer?

Mr. JOHNSON. The question was asked whether it would affect the consumer of cheap goods, the poorer class that Mr. Preston represented, and I said I did not think it would, because they did not use the paper and will not use it anyway.

Mr. TARSNEY. You say it would affect the consumers of the high-class paper?

Mr. JOHNSON. Not in the price of the paper, but it would in the use of it. They would use more of it, I think. We make just as good paper here. I would say the flat paper manufactured by Crane, who makes paper for the bank-note companies and the Government of the United States, and for whom we are agents in New York, manufacture just as good paper as Marcus Ward and Company, or any other person in the world, I do not care who they are. The paper is first-class paper in every particular, and the only difference between them is not that they are not as high quality, but in the mere fact that that paper is marked with a British crown or marked "Royal linen, Marcus Ward and Company." It is not because it is any better paper, as we can show just as good paper as they can produce anywhere, I do not care who they are. The tariff imposed at present upon envelopes by the McKinley bill of 25 cents per thousand and that suggested by the Mills bill of 20 per cent ad valorem is an unjust discrimination against products which have undergone one or more processes of manufacture from the natural flat paper from which such envelopes are made, which is taxed 25 per cent ad valorem. The wages of the skilled female labor employed in the high grades of envelopes and black-bordering envelopes and note and other paper is from $12 to $14 per week. We employ 300 hands in making unruled and unprinted writing papers into note, letter, and other sizes, and 40 hands on black-bordering. If the duty we pray for is granted, we think we can increase this force very materially. In the above force there are about 30 married men and 16 widows. The balance are girls obliged to own their own living, ranging in years from 17 to an uncertain age. It is only within six months that another new concern has been started in New York who are figuring to sell foreign goods manufactured in England of this character very largely on the basis of the duty that is now imposed.

CLASSIFICATION SCHEDULE OF EQUITABLE CUSTOMS DUTIES PROPOSED ON WRITING PAPER AND THE MANUFACTURES THEREFROM.

(1) Paper, writing, in flat sheets, unruled and unprinted, 25 per cent ad valorem.

(2) Paper, writing, manufactured into envelopes, note, letter, and other sizes, for correspondence and other purposes, 35 per cent ad valorem.

(3) Paper, writing, manufactured and black-bordered into envelopes, note, letter, and other sizes, for correspondence and other purposes, 45 per cent ad valorem.

(4) Cards, black-bordered, 40 per cent ad valorem.

(5) Paper, writing, manufactured into envelopes, note, letter, and other sizes, for correspondence and other purposes, stamped, embossed, illuminated, printed, lithographed, or decorated from dies, stones, or otherwise, 50 per cent.

STATE OF NEW YORK, *County of New York, ss.:*

I, George B. Hurd, being duly sworn, declare that I am a manufacturer of fine note paper, envelopes, visiting cards, and mourning stationery in the city of New York, at 77 and 79 Beekman street.

The percentages of labor cost of our products from flat papers have been carefully and actually figured from goods in actual process of daily manufacture.

The discrimination against our processes of manufacture under the present tariff has been carefully and actually figured in each case.

The discrimination against our products by the difference in wages in the United

States and Great Britain has been carefully and actually figured from the schedule presented in the accompanying affidavit.

The schedule submitted on our sample accompanying shows in each case the percentage of actual discrimination against our processes of manufacture.

GEORGE B. HURD.

Sworn to before me this 15th day of September, 1893.

[SEAL.] RAPHAEL M. MATTESON,
Notary Public, New York County.

STATE OF NEW YORK, *County of New York, ss.:*

I, Henry Lamb, being duly sworn, declare that I was formerly employed by Gurney & Co., London, England, as a stamper, embosser, and illuminator, and that the following schedule of wages of employés and statement of facts relative to the process of manufacture and art decoration of unruled and unprinted flat papers into envelopes, note, letter, and other sizes, suitable for correspondence and other purposes, is a true and just statement.

That I am now employed in the city of New York, by the firm of George B. Hurd & Co., in the same capacity as I was employed at Gurney & Co.'s, London, England, and that my wages in England were 40 shillings per week, or equivalent to $10 in United States money. They now average, for the same amount of work per week as performed in England, $28 per week.

That the schedule of wages for work in the several departments, as per statement below, is a fair comparison of the wages paid in this country and in Great Britain; and that the machinery used in the United States for the same class of work is similar to and is not capable of turning out more work than that used in Great Britain, and the operatives in any department of George B. Hurd & Co.'s business do not turn out and are not able to turn out any more work than they do in Great Britain.

The schedule aforementioned is herewith appended:

Operatives on—	Wages paid per week in Great Britain.	Wages paid per week in the United States.
Envelope-machine hands	16*s.* = $4.00	$8.00
Color-stamping hands	14*s.* = 3.50	6.50
Bronze-stamping hands	40*s.* = 10.00	28.00
Envelope paper cutter	30*s.* = 7.50	14.00
Black-bordering hands	20*s.* = 5.00	12.00
Printing hands	36*s.* = 9.00	18.00
Average per week	6.50	14.40

HENRY LAMB.

Sworn to before me this 16th day of September, 1893.

[SEAL.] RAPHAEL M. MATTESON,
Notary Public, New York County.

POSTAGE STAMPS.

(Paragraph 425.)

NEW YORK, *September 8, 1893.*

SIR: You no doubt will be surprised to hear that postage stamps are now subject to a duty of 25 per cent, the last ruling of the Treasury Department being that they come in under the heading of printed matter. You no doubt have many friends who are collectors of postage stamps, and it is in behalf of the whole fraternity that I address you. I beg to call your attention to a few points in regard to the matter as follows:

(1) That postage stamps circulate in many parts of the world as money and are received in the savings banks both in England and in

and perhaps in other countries, in the same way in which
ney is received. In England, also, the post-offices will redeem
ostage stamps, thus addmitting them to be a liability or obli-
the Government; for this reason, stamps should come under the
d as other securities or obligations of other governments and
free of duty.
tax now imposed of 25 per cent on the actual market value
ense a protective one, as it merely works a serious injury to all
id to a number of collectors. Besides that, from the nature of
e, being very small in bulk, the difficulty of collecting any duty
s evident, as most of the stamps are sent in registered letter
s in postage stamps and to collectors. As the dealers are
such, the majority of their letters are stopped for the collec-
ty, but the number of collectors is so large that we believe
one letter in a thousand which contains postage stamps is
or the collection of any duty. In order to accomplish the col-
duty on all stamps imported into the country it would be
to inspect every single letter that arrives in the United States
gn parts, as the collectors include bankers and large merchants
s of trade. The newspapers and periodicals which circulate
parts receive payment for a large part of their subscriptions
stamps from all parts of the world, and as these are sent in
instead of money, it would be manifestly unfair to collect any
n equivalent for cash.
ll parts of the world postage stamps are used as a convenient
remitting small amounts, and in correspondence with many
s almost an absolute necessity that remittances be made in
as money orders can not always be obtained and bankers will
drafts for small amounts.
s really no good reason why unused postage stamps are more
dutiable than any other printed matter having a face value
ereon, and if unused postage stamps are dutiable, it would be
collect duty on the face value of railroad tickets supposing
been printed in Canada or any other foreign country.
all your attention that in order to afford us any relief it is
to specify "postage stamps" on the free list, as according to
ions of the Department, they now come under the heading of
matter," and must pay duty as such. There is no possible
hich this could be taken advantage of in any way, shape, or
the detriment of the revenue, as all similar articles are already
ty, such as bank notes, bonds, etc.
can well imagine, our business is not of sufficient importance
much of your time, but if you would like to see me or any
onnected with the business in this city, I would be pleased to
u any day that you may designate. I feel confident, however,
y need call your attention to the injustice that is being done
ess to convince you that it is to the interest of every one to
age stamps put on the free list.
this request in behalf of over a million collectors in this

urs, truly,

G. B. CALMAN.

SCHEDULE N.

SUNDRIES.

BRISTLES AND BRUSHES.

(Paragraphs 426, 427.)

We, the undersigned brush manufacturers and importers of having been advised that a bill numbered 331, introduced by ner on September 6, and referred to your honorable committee, the following clause: "Bristles, free; brushes, 15 per cent ad " respectfully petition you to have the present clause, as now and contained in the tariff of 1890, retained in the new bill to d by your honorable committee, without any change, as fol- aragraph 426, bristles, 10 cents per pound; paragraph 427, and brooms of all kinds, including feather dusters and hair n quills, 40 per cent ad valorem, and for the following reasons: eduction of the rate of duty on brushes, which was passed in d which reduction amounted to 10 per cent ad valorem on the value, the production of several branches of brush manufacture nt a steady decline. This was especially the case in the manu- of hair, tooth, nail, and bath brushes, which, previous to the nt of the tariff bill of 1890, had almost ceased to exist in this and had been replaced by constantly increasing importations nce, Germany, and England.

at many skilled laborers had lost employment and many fac- hich produced these goods were made idle. This decline in the ty of an American industry was mostly due to the larger cost ican labor as compared to that of foreign countries, in which, standing an equal ability and skill of the workman, the com- n for labor rarely, if ever, exceeds one-quarter to one-third of d in the United States.

the enactment of the tariff of 1890 a very slight betterment of dition, shown by a decrease of imports of about 8 per cent, is . This proves that notwithstanding the additional duty of 10 ad valorem on brushes and a reduction of 5 cents per pound es, the compensation thus given to the American manufacturer lly sufficient to inspire new activity into this industry.

me conditions in the proportion of American to foreign labor day and any reduction of the ad valorem duty on brushes rove disastrous not only to the branches before mentioned but he manufacture of all other kinds of brushes now produced in ed States.

y of 15 per cent ad valorem will enable foreign manufacturers their products to our market at prices so much below the cost roduction that the latter must be either stopped or, if con- an only be carried on by an adequate reduction of the wages d for our American labor.

ncreased cost on imported brushes caused by freights and of importation amounts to so small a percentage as to make it vorthy of consideration.

ow existing duty of 10 cents per pound on bristles may be d as strictly a duty for revenue only; it does not exceed about

3 per cent on the average cost of all grades of brushes manufactured in this country and can not therefore be considered as a heavy tax on the consumer while it is a small protection to another American industry; that of dressing and preparing of the bristles produced in our own country.

Respectfully submitted.

BRADLEY & SMITH,
J. J. ADAMS & Co.,
J. M. MARTIN'S SON,
And others.

BRISTLES.

Under the present tariff there is a duty of 10 cents a pound on bristles. Nearly all bristles used by brushmakers do not grow in the United States, and can not be produced here, as our pork-packers kill their hogs when they are very young and the bristles are too short and soft to be used in paint, varnish, whitewash, hair, cloth, and other staple brushes. Although the United States is a large producer of pork, it is an insignificant producer of bristles useful for staple brushes. Our firm used during the past year many bristles, and of them 95 per cent were imported from Europe and only 5 per cent grown in the United States. Other manufacturers may use somewhat larger percentages of American bristles than we do, but all must buy Russian, German, and French bristles, for by far the greater part of their purchases, for the emphatic reason stated previously, that they do not grow in the United States, and circumstances are such that they never will be grown in the United States.

Of American bristles about 75 per cent are 2¾ inches long, gray, or black color, and without stiffness. For all the staple brushes used by skillful workmen and in everyday life, the brush manufacturer must have bristles measuring from 3 inches to 6 inches long and very largely white. Russia and eastern Germany are the only countries in the world producing such bristles in merchantable quantities.

We think it would benefit brush manufacturers and the public to have bristles put on the free list, and, if so, they should be distinctly named in that classification, so that they can not by any chance be placed under a dutiable heading, as has been attempted in tariff bills heretofore proposed.

So far as we know, the only houses likely to object to this change are two or three establishments that clean and prepare American bristles, who, perhaps, would like to extend their business to include the preparing of foreign bristles, now done with economy by the brush manufacturers themselves. It is not desirable to make brush manufacturers tributary to bristle dressers ever, and still less so when the dressers are of a monopolistic tendency.

There are no raw bristles imported into this country; all are partially manufactured or dressed; all are assorted, tied up straight in bundles, packed in cases or casks. No brush manufacturer wants to have bristles come to him in a crude, raw state, as taken from first hands; it would make his factory unclean. Every manufacturer in the world is now educated to receive and work the bristles from the condition they have been furnished to brush manufacturers for generations, and all would need new additional knowledge to take crude stock and prepare it, aside from making their factories uninhabitable to the employés working at the cleaner, neater work of making brushes.

rush manufacturers do not desire to buy their bristles in an entirely ised condition from anyone. We all have our trade secrets, and the ıner in which each of us dresses the bristles used in making his shes is peculiar to himself. To have all bristles thoroughly dressed ore being supplied to the brush manufacturers would reduce all of n to a level in that particular, making several hundred brush manuurers pay unnecessary profits to three or four bristle-dressing estabments.

a duty must stay on bristles, it should not on any account be made ıer than at present levied now ad valorem. To be made ad valorem ld be offering a bounty for undervaluation. The variety of bristles f great number, quality of each changing almost every year, and we not know anyone in either the bristle or brush business who is ert.

/e believe that we are a representative brush manufacturing estabment, and state these facts with our views on them, as they may all opics for consideration.

PHILADELPHIA, *September 11, 1893.*

IR: We would respectfully urge that horse hair and hog hair be ined on the free list, and that curled hair for mattresses, which is ıufactured from these articles, be retained at the present duty (15 cent). Also that the present tariff pertaining to bristles (10 cents pound) be so amended as to admit the raw unmanufactured article , but that the duty on the manufactured article be fixed at 15 cents ound.

/e would point out that on account of the present duty being as ı on the raw as on the finished bristles they are imported only in latter state; further, on account of this inequality in the tariff, the ıufacturer, workingman, and consumer are placed at a great disadtage. Free raw stock, or raw stock with a small specific duty, would ically transfer the entire manufacture of Russian bristles from sia to America, involving millions of dollars, lessening the cost of finished product to the consumer, giving employment to the workıan, and insuring profit to the manufacturer.

/e believe these suggestions to be in the line of true tariff reform, ch aims, as we take it, to reduce the cost of an article without riously affecting established industries.

Respectfully, yours,

PETER WOLL & SONS.

BRUSHES.

(Paragraph 427.)

BOSTON, *September 16, 1893.*

IR: We desire to call your attention to the industry of manufacturbrushes, now protected by a duty of 40 per cent, which is, if any-g, less than the industry should have. We hope that the Ways and ıns Committee will not report any reduction from that rate of duty, he result would be disastrous to brush manufacturers in the United tes, and lead to reduction in the wages to employés.

he duty on brushes prior to 1883 was 35 per cent; it was then ıged to 30 per cent, the result being a large increase in the ntity of brushes imported and the killing of the manufacture of

toilet brushes and kindred kinds in the United States, which part of the industry has never since been able to fully recover a foothold. The manufacture of toilet brushes here was in a fairly healthy condition up to 1883, when the duty was reduced from 35 per cent to 30 per cent, and one town, Lansingburg, N. Y., had many small brush factories. As soon as the rate of duty was changed, French and other foreign manufacturers established agencies in New York City, and by selling at lower prices than could be made here by our manufacturers, placed their goods on the shelves of nearly every dealer in toilet brushes in the United States. The result was that few American toilet brushes were made here until last change in duty, and even now we have not recovered all the prestige lost on them. By that change in tariff in 1883 the brush manufacturing industry at Lansingburg was practically killed.

The importations were as follows: July 1, 1882, to July 1, 1883, brushes, $443,095; July 1, 1883, to July 1, 1884, brushes, $591,733; and steadily increased in volume until July 1, 1890, to July 1, 1891, it was $866,796. Under the present tariff from July 1, 1891, to July 1, 1892, it decreased and was only $797,602. We have not as yet the amount imported for the year ending July 1, 1893, but believe it will show a reduction from previous years. The present importation is fully one-sixth as much in value as there is manufactured in the United States.

If with the duty of 40 per cent they can bring in that proportion, what may we expect with the duty lowered? We could only hold our own by making sweeping reductions in the wages paid to our work people, who are now paid not more than other industries here, but are paid much more than German and French work people, which are the principal countries sending brushes to the United States.

The duty on bristles, from which brushes are made, is 10 cents per pound, specific, and is equivalent to 3 per cent on the cost of the manufactured article; so that taking off the duty on bristles would be too small a help to warrant any reduction in the duty on brushes.

Brushes are made mostly in small factories distributed well over the United States. There are very few large brush manufactories in the United States, and nearly all of the manufacturers are men of small capital, actively engaged in their own shops. There is no trust, combination, or other union of any kind amongst the various brush manufacturers in the United States; competition is sharp between all the makers of similar lines and profits very small. The public is not robbed for their benefit, and the entire wants of the United States in the way of brushes can be supplied by our manufacturers, as there is the skill and workmen here to make them.

The only brush trust in the world is in Germany, with office and salesroom in New York City, and small rooms for putting together brushes partly made in Germany and making a few unimportant lines. They issue a catalogue in our language and with values in our money, which is submitted; they have numerous traveling salesmen canvassing all this country, and have subagency at Chicago. By illustrations in their catalogue you will see that they copy the general appearance and styles of American brushes, which are distinctly different from the styles used abroad. A copy of their German catalogue is also submitted, showing German styles. Should the duty be reduced on brushes with their cheap labor and combined capital of $1,000,000 and business ability, the injury to brush manufacturing here would be great.

Brushes here and in Europe are made almost wholly by hand, ma-

chinery being used only to a limited extent, and only in doing some particular parts of the manufacture. The percentage of cost for labor here in making brushes varies from 50 to 70 per cent of the total cost to manufacture. In cheap brushes it is more than in expensive kinds, using largely of bristles, and the largest sizes of brushes; while in toilet brushes, such as hair brushes, the percentage of cost for labor is very large. This percentage for labor includes the labor in dressing bristles or other fiber, making brush handles, putting the brushes together, and finishing them.

The manufacture of artists' brushes in the United States is a young industry, and has grown remarkably in the last few years, notwithstanding it has had fierce competition from the European manufacturers, who disliked to lose this market and have our manufacturers get established. The published returns of one of them, a stock company, last year, which strives hard for the United States market, showed a dividend of only 4 per cent.

The foreign brush manufacturers who are seeking the American market are extensive in size, and for wages pay in Germany and France about one-quarter to one-third what is paid for similar work here. Their work people are as skillful and swift workers as ours are. In fact, nearly every brush factory in the United States contains foreign workers, who are receiving three to four times as much pay for the same work as they received abroad. The rate of wages earned by brush-makers here is no higher than in other industries.

Our house imports yearly, under the present rates of duty, several thousand dollars' worth of brushes, all of which we have the skilled labor and stock to manufacture, but can not make as cheaply as we can import. Should there be a reduction in the duty we should increase our importations or decrease wages of work people. The losers would be the work people, for with our experience and established trade we can supply trade with either our own make or imported, as circumstances elect, on the cheap and medium-priced lines. On high-grade lines, which are but a limited part of the business in brush making, same as everything else, all home manufactures have established reputation, which it will take a little longer for foreigners to supplant. But when supplanted it is equally hard to obtain again.

We have recently been solicited to take the exclusive agency for the United States of one of the largest foreign brush manufacturers' goods, in the event of lowering the tariff, and other houses now manufacturing brushes will undoubtedly have same offers, as foreign manufacturers can better afford generally to sell to houses with established trade here than to come over and canvass for trade and grant credits over the country. We are sure that a reduction in the tariff on brushes would convert nearly every large brush manufacturer into a brush importer for the largest part of his business, resulting in employés being thrown out of work, in which, by many years' experience, many of them are specially trained.

It is clear to us, and we hope we have made it clear to you, that duty on brushes should not be lowered, as our labor costs us much more than in Europe, our expenses of doing business are much larger than there for rent, interest, and all incidental charges.

We have just as skillful work people and more labor-saving appliances, and therefore the only means of making goods cost less than they now do is to reduce wages of employés. This every employer dislikes to do, as you well know. Nearly every brush manufacturer now in business in the United States was once an employé at the bench him-

self, having worked his way up, thus having thorough by practical training in a business of intricate detail.

We hope to receive from you favorable consideration, and regret exceedingly that circumstances are such that a personal appearance is not possible before the 20th instant.

Yours, respectfully,

JOHN L. WHITING & SON CO.
LEW C. HILL, *Secretary.*

BALTIMORE, *September 22, 1893.*

SIRS: We respectfully petition your honorable committee to allow the present duty of 40 per cent on brushes to remain as it is. Even now, the French and Germans are enabled by reason of their great advantage of cheap material and cheaper labor, and lower expenses generally, to place a great many of their products in our markets. Whatever may be the result of protection in other lines of manufacture, with which we are not familiar, we do know, and here affirm, that in our special industry it inflicts no hardships on the consumers because of the sharp competition among the producers in this country.

Bristles are now subject to a duty of 10 cents per pound, which is calculated to be equivalent to from 3 to 3½ per cent tax on the manufactured article of brushes. With free bristles, the Germans would have a decided advantage over us in this country in producing supplies, in the saving of extra profits of middle men, and transportation.

In the event that you should feel in duty bound to reduce the present duty on brushes, we respectfully appeal to you for free bristles.

Respectfully, yours,

WM. A. TOTTLE & CO.

BRUSHES.

(Paragraph 427).

STATEMENT OF J. E. WELBORN, OF BALTIMORE, MD.

Mr. CHAIRMAN. I have come here to-day in the interest of the brush manufacturers. When this bill was submitted or talked about for a reform of the tariff it exercised the brush manufacturers to a considerable extent. The Mills bill proposed to put a duty on bristles of 10 cents, and to reduce the duty on brushes from 40 per cent to 15 per cent. There was considerable correspondence among the brush-makers recently, and they finally had a meeting in New York. There were representatives from brush makers in different cities at that meeting, and there were representatives from one house in Boston, one house in Grand Rapids, one house in Chicago, two houses in New York city, and one from our house in Baltimore. That meeting determined to appoint a committee of two members and two alternates to appear before this committee, and ask that the duty be not disturbed at the present time. The brush-makers would like to have the duty remain as it is, and if the committee sees proper the brush-makers would like to have the duty remain on bristles, which is 10 cents. We calculate that a duty of 10 cents to-day on bristles amounts to 3½ per cent of the manufactured articles. The other gentlemen who were to appear here have not done so, and hence I am here to represent the manufacturers.

The CHAIRMAN. We have had some gentlemen before us represent-
g the brush manufacturers.
Mr. WELBORN. I was not aware of that. Mr. Hill, of Boston, and
. Hazey, of New York, and myself were the gentlemen appointed to
pear before you. Mr. Hill was unable to come and has sent or will
id a written statement. Mr. Hazey, I have not heard from.
The CHAIRMAN. In what manner have you derived your information
to what should be the action of this committee affecting your inter-
s?
Mr. WELBORN. I had supposed that for the reason that there is a
eat deal of interest being displayed in the brush business just now,
d there is a very large corporation in Germany which is said to have
limited capital at its disposal. They have established a branch in
w York City with representatives in other States, and have gotten
t catalogues saying they are preparing to enter into and take
arge of the American market. That is about it. They are able to
y raw material very much cheaper than we are. They have an
vantage in that respect of nearly 50 per cent, and have a great
vantage in labor. Presumably they can do business cheaper than
can. Their laborers live less expensive than ours do. In my arti-
I have pleaded for the manufacturers, but it seems to me that a
an who is intelligent enough to organize the business and employ a
ge amount of labor is entitled to some consideration. The interests
the laborers and employers are closely identified.
Mr. BRYAN. How many men do you employ?
Mr. WELBORN. About 150.
Mr. BRYAN. How long have you been in business?
Mr. WELBORN. Fifteen or sixteen years.
Mr. BRYAN. How much capital have you?
Mr. WELBORN. About $90,000 active capital. We have about
0,000 which we consider as expenses in the way of fixed capital.
Mr. BRYAN. What capital did you start in with fifteen years ago?
Mr. WELBORN. We started with a small capital. We have worked
rd and lived close.
Mr. BRYAN. What did you put in?
Mr. WELBORN. I, myself, individually, put in $7,000.
Mr. BRYAN. Have you one-half interest?
Mr. WELBORN. Yes, sir.
Mr. BRYAN. The establishment has grown from $20,000 to $90,000?
Mr. WELBORN. Yes, sir.
Mr. BRYAN. Has the stock been increased out of the profits of the
siness?
Mr. WELBORN. Yes, sir.
Mr. BRYAN. What wages do you pay.
Mr. WELBORN. Our work is mostly done by piece. We have a num-
r of hands who necessarily work by the week. They work at the
nch and are paid by the dozen.
Mr. BRYAN. What do you pay when you pay by the week?
Mr. WELBORN. We pay $12 to $14 per week.
Mr. BRYAN. What kind of work is that?
Mr. WELBORN. That is to men who have charge of rooms. Then we
ve a great many boys to whom we pay $2.50 to $3.50 a week. Their
ges are increased along at about the rate of 50 cents per week every
months.
Mr. BRYAN. You spoke of the foreigners having a large advantage
er you. What has your business paid?

Mr. WELBORN. I have not looked up the statistics. I was put on this committee as an alternate and I did not know that I would have to answer these questions. We have men in our employ, one of whom is a Russian Jew and the other is a Polish Jew, one has worked in Russia and in Germany to some extent. The other has worked largely in Germany. I happened to meet him as I was leaving this morning and I asked him to give me an idea so far as he could of the wages paid laborers in that business abroad, and I think he told me that the highest wages they got there was about 40 marks or about $10. This man, however, was not a skilled brush-maker. He said to me that 1 mark over there would go as far as $1 would here. He told me that he could board there for about $1.50 a week, and that he could get a good house for about $10 a month.

The Russian Jew had only worked to a limited extent at Leipsic, and he told me he got 18 to 20 marks for about the same work that he was doing with us, for which we paid him $10 a week on an average. He can not earn as much as very many of the other men in the same room, some of whom will earn on an average $17 a week for ten months in the year.

Mr. BRYAN. This man of whom you speak said that while he got more dollars over here, they would not go as far as they would over there?

Mr. WELBORN. Not quite.

Mr. BRYAN. The condition of the laborer would be better there than here?

Mr. HOPKINS. I suppose that was the cause of his leaving that country. Why does he not go back?

Mr. WELBORN. I do not know.

Mr. HOPKINS. Perhaps he can not get back.

Mr. WELBORN. I imagine he prefers to stay in this country. I have never seen one that did not prefer to stay here.

Mr. BRYAN. As a matter of fact, you have never taken pains to investigate the difference between the labor cost abroad and here?

Mr. WELBORN. I have not had an opportunity. It occurred to me the other day that I would write to the United States consul at Nuremburg and ask him for certain information. I told him that I wanted it to submit to the Committee on Ways and Means.

Mr. BRYAN. You have not heard from him yet?

Mr. WELBORN. No, sir.

Mr. BRYAN. Do they manufacture brushes in any other country than Germany?

Mr. WELBORN. I have my own line of brushes. My line is paint brushes and white wash brushes. We make no toilet goods. Germany is the only country which can make that class of goods. We are going into a new branch, and that is the making of artists' brushes.

Mr. BRYAN. How many persons are engaged in this country in manufacturing the same class of goods that you are?

Mr. WELBORN. I could not tell you. They are divided up, and they employ a great many people, perhaps 400 in each factory. There are men doing work in their own dwellings. There is no other brush factory in Baltimore.

Mr. BRYAN. Do you belong to an association?

Mr. WELBORN. We belong to no association. We are a business firm. As I have stated in my paper, it does not seem to be practicable to have an association. I believe it can be stated substantially that there has never been a large fortune made by any concern in the brush

usiness in the United States. While not very successful in business, e have made a comfortable competence.

Mr. BRYAN. What was your profit last year?

Mr. WELBORN. About 11 per cent.

Mr. BRYAN. Was that amount divided as dividends?

Mr. WELBORN. It was interest, profits, and debts paid. I ought to ay, however, that we are careful about our credits, and investigate iem very closely. On that account we lose very little money. I elieve that up to the present time we have not lost over 3 per cent in iat way. We have very often refused credits that others might have ken. One of our firm has died. We do most of the business our- lves, and two of us are on the road most of the time.

Mr. BRYAN. Is your company a corporation?

Mr. WELBORN. No, sir; it is a plain business concern.

Mr. BRYAN. Do you mean to say that you divided 11 per cent between our stockholders last year?

Mr. WELBORN. Yes, sir; we divided it among the partners.

Mr. BRYAN. I suppose you count the expenses of your partners, and ou take out a certain amount for your share over and above that which ou get as profit?

Mr. WELBORN. This 11 per cent is interest and all. We draw $3,000 year apiece. That has been done within the last year or two. For the rst ten or twelve years we only drew out $1,500 apiece.

Mr. BRYAN. Have you added anything in the way of improvements the plant in the last year?

Mr. WELBORN. Yes, sir; we are constantly getting little pieces of achinery.

Mr. BRYAN. Are you doing more than replacing what is worn out?

Mr. WELBORN. Yes, sir; we have never had any machinery at all ntil the last four years. Then there was some little machinery ivented in the way of doing the nailing on the brushes. The brush ork is mostly hand work. No machine has been invented which will andle the bristles economically. There is a bend in the bristles which akes a bulb shape. Even an unskilled man can not handle them so iat they will not bend in every direction.

Mr. HOPKINS. Is this 11 per cent the gross earnings of your con- rn?

Mr. WELBORN. Yes, sir; on the capital invested.

Mr. HOPKINS. Out of the gross earnings you take the salary of your artners? I want to see how much is left out of which you declare a ividend.

Mr. WELBORN. I can procure a memorandum of it and send it to ou. My brother is the bookkeeper.

Mr. HOPKINS. The gross earnings are 11 per cent?

Mr. WELBORN. I am not a bookkeeper, and I am not quite sure of iat.

Mr. BRYAN. Do you mean to say that the income would be 11 per nt on the $90,000, and then you would take the expenses of yourself nd your brother out of that, reducing it by $5,000 or $6,000?

Mr. WELBORN. No; I think that, to be truthful, I ought to say the robability is that that is our net earnings. We had taken our sal- ies out before that.

Mr. BRYAN. You mean that after the salaries are taken out it leaves l per cent for earnings on the capital?

Mr. WELBORN. Yes; and interest.

Mr. HOPKINS. What do you mean by interest?

Mr. WELBORN. We charge the capital up at 6 per cent interest. This omes out, and the remainder is divided.

Mr. HOPKINS. Will you be kind enough to get the figures showing hat this 11 per cent is; whether it is gross earnings, or whether it is ne net per cent divided as profits?

Mr. WELBORN. I will do so.

Mr. BRYAN. Your understanding is that the 11 per cent includes the per cent on the capital, and the balance would be what you would all profits?

Mr. WELBORN. Yes, sir.

Mr. BRYAN. You will furnish a statement if that is not correct?

Mr. WELBORN. I will.

CURLED HAIR AND BRISTLES.

(Paragraphs 426 and 450.)

FRIDAY, *September 8, 1893.*

STATEMENT OF MR. WILLIAM WILKINS, OF MESSRS. WILLIAM WILKINS & CO. 310 WEST PRATT STREET, BALTIMORE, MD.

Mr. CHAIRMAN: We are manufacturers of curled hair and bristles, nd as we understood the tariff was to be revised, and thought perhaps there was some danger the duty on curled hair and bristles might e taken off, we concluded we would come down here and explain the atter to the gentlemen of the Committee on Ways and Means. Now, he duty on both of those articles—I will take the bristles first—the uty on bristles formerly was 15 cents a pound and under the McKinley ll this was reduced to 10 cents a pound. These are the goods exhibiting same] which we manufacture, if you wish to look at them. hey are manufactured for brush-makers in all colors, of course, and ngth. The reason we think the duty ought to remain as it is is on ccount of the difference in wages paid in Europe and the wages which e pay our workmen in Baltimore.

Mr. BURROWS. Have you a comparative table of the wages paid here nd there?

Mr. WILKINS. I have not a table of wages, but I can give it to you a few words. The wages of good bristle workmen are from $1.50 to a day in Baltimore, and in Germany and England the wages are 91 nts a day. In France they get about 55 cents a day, and in Japan and hina they get about 8½ cents a day; they hardly get anything there. I ppose that is like all the productions there. This is the reason we say e duty ought to remain as it is. Now, in regard to curled hair. The uty was formerly 25 per cent, and a few years ago it was reduced to 15 r cent ad valorem. Now, with regard to bristles, I would like to mention a few things. Bristles in the new bill must be mentioned under a parate head, otherwise they might be taxed 20 per cent as articles anufactured in whole or in part. Now, that makes free bristles virally, and it is not of much use to the brush maker, as the 10 cents a und only amounts to 3 per cent of the goods; that is, the raw material. Besides that, there would be a great question come up as to what raw material.

Mr. PAYNE. What percentage of labor is in the cost of producing istles in the form you present them here?

Mr. WILKINS. They cost from 15 to 18 and 20 cents a pound.

Mr. PAYNE. What percentage of labor does it take to produce those ristles in that form?
Mr. WILKINS. From 18 to 20 cents a pound it costs to produce these. hat is what we pay in our factory in Baltimore for labor. Now we ıve other expenses besides that.
Mr. PAYNE. What does the raw material cost you?
Mr. WILKINS. That is the difference that I will explain to you. We ırchase in the West, in New York, and the Eastern States; we make contract with large packers and pay them a certain price per hog on ıe back. Then we engage bristles-pullers to secure the bristles and y them carefully in a barrel, and those we bring to our factory in altimore and manufacture.
Mr. PAYNE. Can you give us some idea how much a pound the raw aterial costs?
Mr. WILKINS. About 15 cents a pound.
Mr. PAYNE. Before they are pulled?
Mr. WILKINS. When they are pulled.
Mr. PAYNE. That includes the labor of pulling them?
Mr. WILKINS. Yes; sometimes we get less from a hog, and, of ırse, it costs more.
Mr. PAYNE. But that includes the cost of pulling them?
Mr. WILKINS. Yes, sir.
Mr. PAYNE. Then after that the manufacturing costs you 15 to 18 ıd 20 cents more?
Mr. WILKINS. Yes, sir; and besides that there is a loss in manufac- ring, all according to how the material is. If the material is good, ıen the loss would not be so much, but on some material we lose about) per cent, and then when the material is better there is not so much aste. There is a big portion wasted. Now, the European material is ıuch better than the American raw material, and consequently they ın manufacture their goods much cheaper, besides the wages are ıeaper abroad. Now, the duty on those articles ought to remain as ıey are, 10 cents a pound on bristles and then 15 per cent ad valorem ı hair. If there is an advalorem duty on bristles, then the shorter zes, which we have the most competition in, we would not be protected ıough, and then on the longer sizes, of which we have not that com- ;tition, the brush-maker would suffer by being compelled to pay a ;gher rate of duty on goods which we do not manufacture but very ttle of. Now they have the Ocalka bristle, which is 5 or 6 inches long, ıt we do not get those articles in this country.
Mr. TURNER. What is the difference in prices between the imported ristle and the bristle you get?
Mr. WILKINS. Well, we keep about the same prices.
Mr. TURNER. You said you got yours for 15 cents a pound?
Mr. WILKINS. You see the duty is 10 cents a pound. You see we ave a different class of bristles from those abroad. We have long ixed in, and short mixed in, and I do not suppose anything could be ırchased here like the bristles they have in Russia, which I suppose :e about 40 cents a pound, but that includes the long numbers. Our roduct is different. It is not so valuable on account of it not being so rge.
Mr. BYNUM. We raise more meat and less hair on the hog?
Mr. WILKINS. I suppose so.
Mr. TURNER. The average price for imported bristles for 1892 was early a dollar a pound?
Mr. WILKINS. That is right, they were full size.

Mr. TURNER. They do not come in competition with our sort of bristles?

Mr. WILKINS. Long numbers, no, sir; very little.

Mr. TURNER. Where do you get your supplies of hair from?

Mr. WILKINS. We get them from the West. We get our hair principally from South America, Rio Janerio. This matter has been before the committee several years ago, and this duty was reduced, but at the present time we are decidedly of the opinion it should remain as it is.

Mr. TURNER. Do you use any other hair except the mane and tail of the horse?

Mr. WILKINS. Yes, sir; we have also the hog hair.

Mr. TURNER. Do you use hog hair?

Mr. WILKINS. We mix it to a certain extent; the people want it and they make the demand.

Mr. TURNER. Is that process of treating it expensive?

Mr. WILKINS. What do you mean?

Mr. TURNER. I refer to the method of converting it into curled hair?

Mr. WILKINS. It is not so very expensive; I suppose between 4 and 5 cents a pound.

The CHAIRMAN. What is the cost of manufacturing a pound of bristles?

Mr. WILKINS. A pound of bristles costs from 16 to 20 cents to manufacture.

The CHAIRMAN. And the tariff is 10 cents a pound?

Mr. WILKINS. On bristles; yes, sir.

Mr. TURNER. The labor cost is only 5 cents a pound.

Mr. PAYNE. No; 15 to 20 cents a pound.

Mr. TURNER. I misunderstood him.

Mr. WILKINS. It is from 18 to 20 cents, and then our product which we get is not as valuable as that we receive from Europe.

Mr. TURNER. The curled hair when it leaves your hands is for mattress-makers?

Mr. WILKINS. Yes, sir; for bedding, upholsterers, furniture, and, of course, it is according to what people want.

The CHAIRMAN. We import very little curled hair.

Mr. WILKINS. I think we import very little. We tried several years ago, just before the change was made, and there was several gentlemen here at the same time. There was a gentleman from New York, from Delaney & Co., Mr. Powell.

Mr. TURNER. How long has this duty of 15 per cent been maintained?

Mr. WILKINS. I think about three years; before it was 25 per cent.

Mr. TURNER. It was put at 15 per cent under the present law?

Mr. WILKINS. It was put at 15 per cent under the present law.

Mr. TURNER. And made so by the present law?

Mr. WILKINS. Yes, sir.

Mr. TURNER. Have the importations of curled hair increased since the duty was reduced from 25 to 15 per cent?

Mr. WILKINS. I have not paid any attention to that. I do not think it has.

Mr. PAYNE. It was 2,000 in 1890, and 5,000 in 1892.

Mr. TURNER. What is the amount of the consumption of curled hair in the United States.

Mr. WILKINS. I believe there is about 7,000,000 pounds.

Mr. TURNER. Curled hair?

Mr. WILKINS. Yes, sir; we manufacture about 2,500,000 of this, and of bristles we manufacture about 500,000 pounds.

Mr. TURNER. At what price do you sell curled hair to the manufacturer, if that is a fair question?

Mr. WILKINS. We sell it at about 15 cents and upward, according to the quality.

Mr. TURNER. Fifteen cents up to about——

Mr. WILKINS. Forty-five cents.

Mr. TURNER. How much do you pay for the raw material?

Mr. WILKINS. I suppose, sir, the American hair is worth about 22 cents now.

Mr. TURNER. That you sell for about 45 cents?

Mr. WILKINS. Only for some of it, some of the very select.

Mr. TURNER. Take it grade for grade, I mean that you import at 22 cents; when you treat it and sell it, about what do get for it.

Mr. WILKINS. Well, I could hardly say as to what it would be sold for because there are so many different grades. There are about twenty different grades and it depends upon how that is manufactured. Now, some hair, that which we call soft hair, which cost 22 cents, I suppose we sell that at about 26 cents, and that will give some idea of how it works.

Mr. TURNER. What does the hair cost which you sell at about 40 cents?

Mr. WILKINS. That costs the same price, only there is a very little of it indeed; that is something very rare.

Mr. TURNER. It is probably mixed with other hair?

Mr. WILKINS. No, sir; that is all pure hair, white hair, long and select.

Mr. REED. You buy your goods and then you assort them?

Mr. WILKINS. Yes, sir.

Mr. REED. Some of the lower grade you sell at 26 cents and the best you sell for 45 cents?

Mr. WILKINS. Yes, sir.

Mr. REED. What is the proportion?

Mr. WILKINS. The bales are different; some bales have one-third and some have more; it depends upon how they run.

Mr. REED. Now, in regard to the amount of work you bestow upon the different grades?

Mr. WILKINS. The amount of work is about the same; there is very little difference.

Mr. REED. So that in order to ascertain the profit of a bale of hair that you buy you have got to average it?

Mr. WILKINS. Yes, sir; we have to average the cost. We have to select the long hair first, by girls and women, into lengths and colors and stiffness, and so on, and then we manufacture them. In Europe they assort a great deal more than we do here, as there are more classes there than we have here.

Mr. TARSNEY. This 15 or 18 cents a pound which is expended in the manufacture of these bristles; what does that include?

Mr. WILKINS. That includes in the first place washing. After getting them we wash them. After they are washed then they are bleached, and then they are straightened, and then they are combed, and then they are dragged by machinery into different lengths and sizes, and then they are given to what we call our bristle-finishers, and they are put into bundles and are ready for market. All of this will fully cost 20 cents a pound to put it up like this [exhibiting sample].

Mr. TARSNEY. Do you mean to say, taking the raw material, before

it is ready to market you have to add an additional cost of 15 to 18 cents?

Mr. WILKINS. Yes, sir.

Mr. TARSNEY. Does that include anything but labor?

Mr. WILKINS. That includes only the labor in the shop.

Mr. TARSNEY. It costs 15 to 18 cents a pound in labor?

Mr. WILKINS. Yes, sir; then we have our packing and sending to New York and different places to be sold there. Then there is a great loss in the raw material by washing, and all of these different processes' loss in the weight.

Mr. TARSNEY. Is this part of that 15 or 18 cents?

Mr. WILKINS. It is extra; it is besides that. That is the actual money paid to our hands at our factory in Baltimore.

BRUSHES.

(Paragraph 427.)

Representative RICHARDSON. I have a letter here from the brush manufacturers of Grand Rapids, who wish to have the tariff on bristles taken off; but they want the tariff on brushes to remain. I will submit the letter.

The letter is as follows:

GRAND RAPIDS, MICH., *September 18, 1893.*

SIR: We notice a report of a tariff bill, House of Representatives, No. 331, which was introduced by Mr. Warner on September 5, in which we are informed the item of brushes is rated at 15 per cent. Will you kindly favor us with a copy of said bill and greatly oblige.

We are at present protected by a duty of 40 per cent, and in spite of that fact we find that Germany and France are importing over one-sixth in value of all the brushes of all kinds used in the United States, and we estimate that 75 per cent of this one-sixth are what are classed as toilet brushes, hair, cloth, etc., which are directly in competition with our lines.

We buy all our raw materials as cheap as Germany and France, except the item of bristles, which we import from Germany and Russia, paying thereon a duty of 10 cents per pound regardless of value. This we find in our output last year amounted to a little less than 1 per cent of the cost of our product, and the paint.brush manufacturers find that the 10 cents duty paid amounted to about 3 per cent of the cost of their product, the proportion of bristles being larger in their work than in ours. More than 50 per cent of our product is made from various kinds of fiber, such as tampico, palmetto, rice root, etc., which are products of this country and Mexico, and on which there is no duty. You will see by this that the placing of bristles on the "free list," as is proposed, only actually benefits the brush industry 1 to 3 per cent, and against this the bill contemplates taking off 25 per cent on the manufactured product, which means either that every brush manufacturer must go out of business or else make a reduction in the wages paid employés to correspond with the reduction in the tariff.

The cost of labor in our product we have found to average 62.9 per cent of total cost. It will run as high as 80 per cent in some cheap grades of goods which are made of the fibers mentioned. Now take, for example,

a brush which costs us $28.73 per gross to make: We find that the materials used (including bristles, $7.20) cost us $10.66 and the labor actually cost us $18.07. We sell this brush at $34.25 per gross, and it costs us 7 per cent to sell it, which leaves us only 8 per cent profit, out of which we must pay all our expenses, such as taxes, insurance, interest, repairs to our plant, etc., which you will see may reduce the profits very materially. Then we are also liable to more or less loss of accounts each year. Do you believe we can stand any reduction of tariff and continue to pay our people the present wages? Taking the same brush which costs us $18.07 per gross for labor and in Germany they can produce it for $7.22, because their labor only averages them 60 cents per day; ours $1.25 to $1.50 per day.

You will readily see that 40 per cent (the present duty) is hardly enough, and that a reduction of 25 per cent means ruination to our industry or almost beggary to the people who are employed in it.

We are your constituents, and as an industry have done much for the poor people of our city, furnishing steady employment to 200 or more men and women, boys and girls for more than twenty years. Our people are skilled in nothing else. Do you believe it will be a wise thing to kill us or beggar them? We sincerely hope you will interest yourself in our behalf and in behalf of the people whom we are employing to the end that the duty on brushes shall be left as it is, viz, 40 per cent. We need 40 per cent or more.

Respectfully, yours,

GRAND RAPIDS BRUSH CO.
J. D. M. SHIRTS,
Treasurer and Manager.

BRUSHES.

(Paragraph 427.)

BALTIMORE, MD., *September 19, 1893.*

We desire to ask your attention to the industry of manufacturing brushes, now protected by a duty of 40 per cent, and to express the hope that your committee will not report any reduction from that rate of duty, as we have reason to fear that such action would result in disaster to brush manufacturing in the United States, the manufacture of toilet brushes having been practically ruined by the reduction of duty in 1883 from 35 to 30 per cent. In the year beginning with July 1, 1891, to July 1, 1892, we find importations of brushes nearly $800,000. Does it not seem reasonable to suppose that importations will increase in proportion to any reduction of duty in the future, as was the case in the years between July 1, 1883, and July 1, 1891?

The duty on bristles, at 10 cents per pound specific, we calculate to be only 3½ per cent on the cost of the manufactured article, although some houses make it to be even less, so that taking the duty off bristles would be but a small concession to warrant an appreciable reduction of duty on brushes. There are no great houses in the business, but divided up from the larger, who employ a few hundred hands, to the man who works with his own family in his dwelling, located from Baltimore North and East, West to St. Louis and Chicago, Northwest to St. Paul. We believe there are more than enough skilled brush-makers in the United States to supply the country's demand for brushes, if worked the entire twelve months of the year; but the fact is, we

ly have eight months of full work out of the twelve
o that competition is very active in their ranks.
much consumption, and, as before said, more than
supply the demand. No one house can increase its
reat extent, except at the expense of some other.
ticular standard of qualities, so each concern gets up
judgment may lead him to think most likely to succeed
t of his object, of course having an eye to the adjust-
nd qualities to obtain the approval of those whom he
here has never been a trust or combine of brush manu-
s country, nor does it seem practicable for reasons above
are few, if any occupations, in the land attended with as
that of manufacturing brushes. There are few, if any,
al percentage of expense to do business, or that confine
ore closely to their occupation. As far as we know there
n a large fortune made by any one house engaged in the
of brushes in the entire history of the industry in the
s. The utmost that has been accomplished in the way of
ng since the war, by the most successful, has been the
of a comfortable competence only, whilst two houses who
been amongst the most prominent and successful have,
ast few years, closed up and gone out of business with no

a good deal said by those who appear before your committee
ests of various industries about the "protection of labor;"
o us that the gentlemen of your committee will not think it
ble that we should plead somewhat in the interests of the men
the thrift and intelligence to conduct business that gives
nt to labor. We take it that the interests of labor and
s are very closely identified. Whilst there is not now, never
and not likely to be any combination or agreement amongst
ufacturers of brushes, to raise prices on the consumers of
in this country, there is a most formidable combination in
at Nuremberg, who even now, under a 40 per cent duty, are
great many of their manufacture into this country; they claim
to accomplish it by means of their superior advantages in
cheap labor and raw material. They have followed the busi-
generations, and therefore possess the skill, being a calling of
holly hand-work of necessity. We can not, therefore, circum-
n by the use of machinery, and where the use of machinery is
they do not appear to be behind the foremost. We were lately
by a disinterested merchant of London that they are flooding
ish markets with the cheaper grades of brushes and driving
ish goods clear out of their own territory. With labor and
xpense of doing business and living in this country so much
of what it is in England, may we not justly feel apprehensive
a low rate of duty we shall fall much easier victims than the

ve no quarrel with the dressers of domestic bristles, which can
ed at all in making better grades of brushes, about two-thirds
can product being 2¾ inches or less and very soft; our stock-
tting their hogs into market at about six months old leave
for growth of bristles, so that only a few handfuls along the
good for anything to the brush-maker. Our available supply
d from Russia and Germany, so that we consume but a small

percentage of American product in our business. The dressing of American bristles is in the hands mainly of three or four firms, one of which does as much perhaps as nearly all the rest combined.

Should the duty be reduced on brushes we ask that we may have free bristles.

Very truly,

RENNOUS, KLEINLE & CO.,
Manufacturers of Brushes.

BUTTONS.

(Paragraph 428.)

NEW YORK, *September 8, 1893.*

SIR: I see by the papers of this date that Mr. H. G. Knight and Mr. Newell appeared before your honorable body and made argument in favor of retaining the present duty of 50 per cent on ivory buttons. According to report, these gentlemen said there were 20 factories, with a capital of about $3,000,000. They lead you to believe (according to the report) that this money was invested and these factories built based on the present McKinley tariff. This is not true. Both of these gentlemen have been in this same business of manufacturing ivory buttons for over twenty-five years, and this to my personal knowledge. They have both been in it longer, but I am safe and sure in the above, and they have both grown wealthy during that time. Their largest business was when the tariff on ivory buttons was 25 per cent ad valorem. The increase to 50 per cent was entirely unnecessary as far as American manufacturing is concerned; they were amply protected at that rate, 25 per cent. Please look up the statistics and you will see that plenty of ivory buttons were made in this country previous to the McKinley tariff, and no new factory has been started since the duty has been advanced to 50 per cent. As my place of business is within 50 feet of Mr. Newell's, and as I know him well and know how long he has been in the business, I can speak from knowledge. A very important fact in this matter is that all the workmen in the ivory-button factories voted the Democratic ticket. They do not want the duty 50 per cent. They were better off under the duty at 25 cent. Please have the committee also understand that I am a Republican, but not a high protectionist, and as I see that the Republican members of the committee grow facetious and act as if they knew it all, I wish you to note particularly that I am ready to give names of firms or factories where the workingmen voted for tariff reform.

Gentlemen, the duties on all classes of goods are too high, and as the people voted for tariff reform it is your duty, as well as your privilege, to proceed and press forward with all energy possible a reform tariff bill and present it to Congress soon—the sooner the better—and, as a native-born citizen of fifty-five years standing and also a Republican from Fremont down, I urge my fellow Republican members of this committee not to be factious and stand in the way of reform. Let them understand that there are Republicans who are groaning and sweating under this robber tariff of McKinley. And, further, this reform is only begun. Revolutions never go backward, and our people have asked for tariff reform and want it, and such misstatements as Messrs. Knight and

valorem. Under this clause ninety-nine one-hundredths of the buttons imported prior to October, 1890, paid 25 per cent duty, the only exception being silk buttons and brass buttons and gilt buttons, which paid 50.45 and 45 per cent respectively, and of which there were very few imported, as these goods have always been manufactured here.

Under the present McKinley tariff, paragraphs 428 to 431, we have seven different rates of duty for this one article, viz: Button forms, 10 per cent (Exhibit A); shoe buttons, 1 cent per gross (Exhibit B); agate buttons, 25 per cent (Exhibit C); metal or steel buttons, 45 per cent (Exhibits D and E); ivory, horn, bone, and silk, 50 per cent (Exhibits F, G, H, and I); glass buttons, 60 per cent (Exhibit K); pearl buttons, about 250 per cent (Exhibit L).

The imports of buttons for 1886–1887 and 1888 were in round figures $3,500,000 per year, and in 1889 $2,700,000.

The figures for the year 1890 were $3,200,000, all of which figures do not include brass, gilt, or silk buttons, or button molds or button material.

The year 1890 is hardly a criterion, as there were quite a number of goods imported that year prior to October 6, on account of the advance in rates in duty in the McKinley bill.

In 1891, after the bill went into effect, the importation of buttons was reduced to $1,300,000, and in 1892 to about the same figure, and which included for the year 1892 some $34,000 worth of button forms (Exhibit A), which are used by domestic manufacturers to make into covered buttons for coat and vest buttons (similar to Exhibit I), and which pay an ad valorem rate of duty of 10 per cent.

You will therefore notice that the importation of buttons at present is about one-third of what it was before the McKinley bill went into effect, and this enormous decrease is due in greater part to the high duty, in most cases prohibitory, imposed upon these buttons in the the McKinley bill.

I will admit that within the last year or two the demand was poor for so-called "fancy dress buttons," but even admitting that this should have made a difference of $500,000 a year in the imports of buttons, the decrease still remains something enormous.

I doubt if there is any other article in the whole McKinley bill which had such a high rate imposed upon it, for not only do we protest against the enormous duty on pearl buttons, but also on those buttons or any buttons that pay over 25 per cent ad valorem duty.

The domestic production of buttons per year, according to Mr. Knight, who appeared before you last week, is $7,000,000 against $1,300,000 imported.

There is no plausible reason that I can see why metal buttons of any kind, ivory or horn buttons, or glass buttons (so-called jet) should have been raised on an average to double what they were in the tariff of 1883, as even at the rate of 25 per cent ad valorem the manufacturers in these lines were making enormous profits and have been able to compete and undersell the imported goods in most instances.

As regards metal buttons (Exhibit D) there is no doubt, and the statement you can easily have verified by inquiring of any of the leading jobbers throughout the country that handle these goods, that the domestic button has almost driven the foreign button out of the market, and it is a well-known fact among the trade that the domestic manufacturers of metal buttons, even under the old tariff of 25 per cent, offered

to imitate any imported button at 10 per cent below what the button would cost to lay down here.

The domestic manufacturers of these goods have such wonderfully improved machinery that the labor in the making of the buttons is actually less than any so-called pauper hand labor of Europe, for in Europe all such goods are made in small factories, which have not the means to put in machinery.

How is it that the domestic manufacturers can sell their goods to Canada in competition with Europe, while here they were not satisfied with 25 per cent protection when they appeared before the committee in 1890?

Among others there is a certain domestic metal-button factory which, I am quite positive, produces and sells more metal buttons in a year than all metal buttons imported into this country from all the factories of the world put together.

As regards glass buttons (Exhibit K), or so-called jet buttons, the rate of duty on manufactures of glass in the McKinley bill was 60 per cent, and as there was no special provisions for these goods as buttons, the duty for no reason whatsoever was raised from 25 to 60 per cent, which it now is.

Among all the various manufacturers of buttons that appeared before this committee in 1890, I have not been able to find anyone who objected to the then existing rate of duty on glass buttons of 25 per cent, except on general principles, that the duty on all buttons ought to be higher.

I herewith show you a domestic jet button (Exhibit K), which we have been buying for several years in hundreds of different patterns for 25 cents, and no foreign button could be imported to compete against this class of goods, even were the duty 25 per cent. The machinery (like on metal buttons) that exists for making glass buttons in this country is so far superior, as regards the saving of labor, to the way that these goods are produced by hand labor in Austria, that the labor expended in the making of these buttons on this side is actually less than for the same button in Europe.

Although not a manufacturer of these goods, we have been able, adding our profit to that of the manufacturer, to take orders on these domestic goods in Canada.

In Canada they have to pay the same duty on these goods which they would have to pay on the European goods, so that virtually we are enabled to compete on our domestic goods in Canada against the European buttons without any duty.

The same to a certain extent applies to ivory (Exhibit F), bone (Exhibit H), horn buttons (Exhibit G), etc., and surely our domestic manufacturers have made great progress in manufacturing since 1883, and as the goods on the other side before October, 1890, were as cheap as they are now, I see no reason why, if 25 per cent was sufficient protection until 1890, and enabled the domestic manufacturers to work up a large and profitable trade, why they should need 45, 50, and 60 per cent duty in 1890 and now.

As we deal in domestic as well as foreign goods, I can safely say that on the average metal, ivory, glass, horn, or bone buttons, in fact all so-called "hard buttons," 25 per cent ad valorem duty is fair and at the same time gives the domestic manufacturer all the protection which he needs or can reasonably ask for.

As regards the so-called "button forms," they are pieces of lasting, cloth, braid, silk, etc., which are made in such shapes and forms that

hey can only be used or converted into buttons and pay an ad valorem luty under the present as well as the former tariff of 10 per cent.

I have not heard of any domestic manufacturers of buttons, some of vhom appeared before your committee last week and who are the rincipal importers of these "button forms," object to this compara-ively low rate of duty, but on the contrary, although they advocated n increase on every other kind of button before the framers of the IcKinley bill and a retention of these high rates now, they are par-icular to have these button forms remain at the same rate as in the ariff of 1883. However, I do not object to this rate of 10 per cent as ong as the manufacturers of silk, cloth, mohair, braid, etc., in this ountry are satisfied.

These "button forms" are converted here into buttons, thus avoiding he paying of 50 per cent on the completed article of silk and 60 per ent ad valorem and 60 cents per pound if made of mohair, braid, etc., nd, therefore, if this clause relating to "button forms" is to remain in he new tariff bill which you gentlemen are framing, it would of course lso be necessary to except silk cloth or any other kind of so-called covered" buttons in the 25 per cent ad valorem rate and probably lace 50 per cent ad valorem on these buttons, otherwise there would ot be much benefit derived from importing the material at 10 per ent and converting the same into buttons here.

I think this covers all buttons except—

PEARL BUTTONS.

About one-half the importation of buttons prior to October, 1890, onsisted of these pearl buttons, which then paid an ad valorem duty of 5 per cent.

The greater part of these goods are made in Austria, although con-iderable quantities were imported from France and England.

None of these goods, however, were made by convict labor; and lthough the ostensible reason for putting the highest rate of duty upon hese goods of any article contained in the McKinley bill, I positively leclare that no pearl buttons in Austria are made by convict labor. I erewith present a statement, sworn to before the United States con-ul in Vienna, by the president of the board of trade there, that no earl buttons, or any buttons, were ever made in Austria by convict abor, and this document was on file here when the McKinley bill was ramed.

But besides this, this would have been a poor reason for putting this luty on these goods, for the McKinley bill, as originally framed and ventually passed, prohibits, according to section 51, "the importation f any kind of goods manufactured wholly or in part by convict labor."

But, gentlemen, no sooner had the bill been signed when the manu-acture of pearl buttons on a large scale was started in Auburn prison, n the State of New York, and were it not that fire destroyed the shop bout six months ago these goods, on account of the cheapness of labor here, would probably have done more harm to the American manu-acturer of pearl buttons than the bugaboo convict and so-called pauper abor of Austria combined.

As regards the so-called pauper labor, I must of course admit hat no American workman could exist on this side of the Atlantic t even double the price of wages earned by some of the workmen ver there, and if the domestic manufacturers should be protected suf-iciently to manufacture these goods here I would recommend the same

te of duty which I did before the Finance Committee in 1890, namely, cent a line and 25 per cent ad valorem on pearl buttons."

The rate of duty now existing is totally unnecessary, for our domes- manufacturers can compete very well at the rate of 1 cent a line and per cent.

At the present rate of "2½ cents a line," if one-half of the goods that ere imported prior to the McKinley bill—that is, the cheaper quality goods—were given away on the other side and delivered free of all penses at the port of New York by the European manufacturers, it uld still be impossible for the New York importers to pay the pres- t rate of duty on them, for this duty alone, without the cost of the tton, would be higher than the same goods are sold for by the domes- manufacturers.

I do not ask that the rate of duty on pearl buttons should be the same at it was under the tariff of 1883, although I would like to see it so; t in requesting you to make it "1 cent a line and 25 per cent ad lorem," I am positive that the domestic manufacturers will, at least the better qualities of pearl buttons, be able to compete or perhaps dersell any imported goods, and on the cheaper goods they can easily mpete.

The pearl buttons imported during 1892 paid an average ad valorem te of 146 per cent: but you must take into consideration that only e highest-priced grades were imported, which made the percentage of ty less than it otherwise would be, as all the cheaper qualities were anufactured here, the duty being prohibitory.

Therefore, if you will allow me, in conclusion, I would respectfully quest that you embody in the bill which you are about framing a pro- sion for buttons and button forms, as follows:

Button forms.—Lastings, mohair, cloth, silk, or other manufactures of cloth, woven made in patterns of such size, shape, or form, or cut in such manner as to be fit buttons exclusively, 10 per centum ad valorem.

Buttons made of cloth, silk, braid, or any other covered buttons, 50 per cent ad lorem.

Pearl and shell buttons, manufactured or partly manufactured, 1 cent a line and addition thereto 25 per cent ad valorem.

Buttons not specially provided for in this act, 25 per cent ad valorem.

I think this would be a concise and clear tariff on the button ques- n, and, to the best of my knowledge and belief, would be a fair and uitable duty on buttons, and by which, I hope, the manufacturers in is country, as well as the importers, can work in harmony and pros- r under the protection of a Democratic administration.

Mr. BLUMENTHAL. The importations in 1890 decreased, but that is rdly a criterion; the other years are criterions.

Mr. PAYNE. How much were they in 1890?

Mr. BLUMENTHAL. More than a million five hundred thousand; and out the same in 1889. They were a little less in 1889 and 1890. nportations have decreased. In 1890 the increase was on account of e rise in the goods. I will leave with you samples of these buttons ubmitting samples].

Mr. PAYNE. Under what paragraph do they come in?

Mr. BLUMENTHAL. They come under paragraphs 228, 429, and 430. hose I specially enumerate come under manufactures of metal and eel at 45 per cent ad valorem. Those from this sample [indicating] e bought for 25 cents a gross for a number of years, and therefore e button was made on the other side without duty cheaper than it uld be made here.

People take this button [indicating another sample] at our price, and e have gone to Canada and sold this in competition with European oods without duty. We beat the Europeans and Austrians in these oods.

[Here Mr. Blumenthal exhibited samples of button forms.]

Mr. BLUMENTHAL. I wish to insert a document from Vienna in ref- rence to the McKinley bill about pearl buttons at 50 per cent ad alorem.

Mr. BRECKINRIDGE. Will you be kind enough to leave samples of ach one of the articles of which you speak?

Mr. BLUMENTHAL. Yes, sir; I will have them marked.

Mr. PAYNE. Your object in asking a reduction is to get it back so hat you can increase your trade as an importer?

Mr. BLUMENTHAL. No, sir; we are doing as large a trade to-day as e ever have done.

Mr. PAYNE. It would then be no object to you individually to have he duty reduced?

Mr. BLUMENTHAL. I think perhaps I may say here in a general way hat we import as many goods as we ever did.

Mr. PAYNE. Is it not true that almost the entire pearl button industry as been transferred to this country since 1890?

Mr. BLUMENTHAL. The prohibitory duty has transferred it here.

Mr. PAYNE. Speaking about buttons being manufactured in the uburn prison, I would say that they have been manufactured there nder a Democratic adminis ration during the last two years. Are not earl buttons made outside of prisons in this country?

Mr. BLUMENTHAL. Certainly.

Mr. PAYNE. They are made by free labor?

Mr. BLUMENTHAL. Yes, sir.

Mr. PAYNE. Do you know what the Austrian wages is for making uttons?

Mr. BLUMENTHAL. To-day it is about $5 to $6 a week.

Mr. PAYNE. Were not pearl buttons made by women at the low ages of 10 cents?

Mr. BLUMENTHAL. They can not be made by women.

Mr. PAYNE. Have machines not been turned by women.

Mr. BLUMENTHAL. Not to my knowledge, and I have been over there uite a number of times.

Mr. PAYNE. The old fashioned lathe is still used?

Mr. BLUMENTHAL. The lathe was used fifty years ago and it is now bout the same.

Mr. PAYNE. That was used in Austria. It is crude, being a hand athe.

Mr. BLUMENTHAL. I do not believe women would have power enough o turn it.

Mr. PAYNE. Women make buttons in this country, do they not?

Mr. BLUMENTHAL. They do, aided by machinery.

Mr. PAYNE. Machinery has been very much improved in this coun- ry since the introduction of the button industry, has it not?

Mr. BLUMENTHAL. Yes, sir.

Mr. PAYNE. Machines have been invented which work almost auto- natically?

Mr. BLUMENTHAL. Yes, sir.

Mr. PAYNE. What has been the increase in the price in comparison ith 1889, before the depression came?

Mr. BLUMENTHAL. The average price has been three times higher.

Mr. BLUMENTHAL. I may be mistaken on that; I only know from earsay.

Mr. BURROWS. Did the price go up before the McKinley bill went nto operation in 1889?

Mr. BLUMENTHAL. The McKinley bill went into operation in 1890.

Mr. BURROWS. It was in October, 1890. Did the price of buttons dvance in 1890 under that bill?

Mr. BLUMENTHAL. Yes, sir; in December, 1889, they advanced, efore they thought of the McKinley bill. It was a natural conseuence of supply and demand.

Mr. BURROWS. Was there any combination or understanding among nporters?

Mr. BLUMENTHAL. Yes, sir.

Mr. BURROWS. Was there one?

Mr. BLUMENTHAL. There was one; and I would like to explain that.

Mr. BURROWS. When was that made?

Mr. BLUMENTHAL. In May, 1890. It was done for the simple reason hat pearl buttons were imported under a 25 per cent ad valorem rate f duty. The bill had 4 cents a line; and as it was passed it had 2½ ents ad valorem duty, and 4 cents a line. We knew this was an nmense increase on the then existing rate. I am talking about the IcKinley bill. In May, 1890, we formed a combination. At that time e had a great many smart customers who knew this increase would ake place, and being our customers it was impossible to sell at this high rice. We made a combination not to sell for less than a certain price, nd we raised the price 50 per cent.

Mr. BURROWS. On the stock on hand?

Mr. BLUMENTHAL. Yes, sir; so that our customers would not get the enefit of the stock we had on hand.

Mr. PAYNE. You do not know whether they import buttons complete, xcept the boring of the hole, and bring them in as unmanufactured uttons at a lower rate?

Mr. BLUMENTHAL. Soon after the McKinley bill went into effect, we nported unmanufactured buttons, or blank forms.

Mr. PAYNE. They are all manufactured, except the boring of the oles?

Mr. BLUMENTHAL. These goods are not buttons, but blanks dutiable t 40 per cent ad valorem.

Mr. PAYNE. That was a very simple process?

Mr. BLUMENTHAL. It could be done by machinery, or by hand.

Mr. PAYNE. It is done by machinery at a very small cost?

Mr. BLUMENTHAL. Yes, sir.

Mr. PAYNE. So you are practically getting in pearl buttons at 40 per ent ad valorem?

Mr. BLUMENTHAL. No, sir.

Mr. PAYNE. There is only a very small shade of difference.

Mr. BLUMENTHAL. It costs to manufacture them. We could import nem at 40 per cent ad valorem before the McKinley bill went into ffect.

Mr. PAYNE. You can do it under the present tariff?

Mr. BLUMENTHAL. I think that ought to be changed. I do not nink, if you have a duty on pearl buttons, that we should be allowed o import these blank forms at 40 per cent; but, as the courts have ecided that we could do so, we would be very foolish not to do it. I nink it ought to be understood that these blank forms should not come n at 40 per cent ad valorem.

Mr. BRECKINRIDGE. Is there much trade in these blanks?

Mr. BLUMENTHAL. It has not influenced the market very much up to this time.

Mr. PAYNE. The decision is a recent one?

Mr. BLUMENTHAL. Yes, sir; it was delivered six weeks ago.

Mr. BURROWS. Do you not, and do not the importers generally, know how much you are getting as a rebate?

Mr. BLUMENTHAL. The importers generally may get a refund. There are only a few of the importers who have cared to take the risk. They had to pay 250 per cent, and they would run the risk of getting only 125 per cent in return. The duty was very great and exceeded the cost of the goods in many instances. It was prohibitory.

Mr. BURROWS. What will be the amount of the rebate?

Mr. BLUMENTHAL. I suppose it will be $75,000.

Mr. GEAR. How many prisoners are engaged in the Auburn prison in making buttons?

Mr. BLUMENTHAL. That was six months ago.

Mr. GEAR. What percentage of convict labor, relative to the general labor in the country, is engaged in this industry?

Mr. BLUMENTHAL. The convict labor is small.

Mr. GEAR. Is it 1 or 2 per cent?

Mr. BLUMENTHAL. I do not believe it plays any great part in the total product. I only mention it because it has been said that the object of the McKinley bill was ostensibly to benefit the working people of this country.

Mr. PAYNE. As a matter of fact, do not the convicts steal so much that it is not able to compete with outside labor?

Mr. BLUMENTHAL. I suppose that most of them do steal?

The CHAIRMAN. Do you remember the month in which the McKinley bill passed the House? Was it not in May, 1890?

Mr. BLUMENTHAL. Yes, sir.

The CHAIRMAN. Do you remember what the duty was on pearl buttons, as it passed the House?

Mr. BLUMENTHAL. Four cents a line.

The CHAIRMAN. It was 2 cents per line in addition to the 25 per cent ad valorem?

Mr. BLUMENTHAL. As it was presented to the House, it was 50 per cent, and then there was an amendment which made it 4 cents a line, and eventually it passed at 2 cents a line. It was raised by an amendment from 50 per cent to 4 cents a line.

The CHAIRMAN. I understood you in your answer to Mr. Burrows to say that in May, 1890, the importers knew the duty was to be increased, and were able to form a combination?

Mr. BLUMENTHAL. Yes, sir.

PEARL BUTTONS.

(Paragraph 429.)

FRIDAY *September 15, 1893.*

STATEMENT OF MR. A. C. RAYMOND, OF DETROIT, MICH.

Mr. CHAIRMAN: I appear in behalf of the National Pearl Button Association of the United States; I am not a manufacturer or a dealer; I am a lawyer; I am personally known to almost all the members of

his committee, as being a Democrat and being in full sympathy ith the Democratic policy of the present administration and also sympathy with the purposes of this committee, in its desire to ake a revision of the tariff, as I understand it, it is proper for e to offer some word of explanation as to why I appear in behalf f this protected industry, which has been attacked perhaps more vio- ntly than any other in the McKinley tariff. If you will permit me will explain how my present connection with it came about; I have me friends who are stockholders in a pearl button factory. They said e association would be glad to retain me to present their case before e Committee on Ways and Means. I declined the offer. I said that s a consistent Democrat, believing in tariff revision and reform on a evenue basis, in accordance with the principles of the party, I could ot consent to appear for them. I knew nothing about the business as a reat many of those who have attacked it know nothing about it. hey prevailed upon me to investigate the industry carefully, and ascer- ain the facts concerning it before I should come to a final decision. I isited some of the factories and was surprised at the very large amount f labor employed, especially at the large number of women and chil- ren employed. I investigated the business in various directions, and nally said to my friends, "I will appear on this condition, that I shall e permitted to advocate a reduction in the tariff. That was granted. further stated to the association that all the statements which I should ake before this committee at Washington should be supported as to e daily and weekly wages which is paid to labor; that I, as a Demo- rat, wanted to furnish proof of what I had to say before the committee oncerning this industry. I told them if I could do that openly I would e willing to appear and for that purpose I have come here. I have rought here a formidable pile of papers, but I shall not present them o you in detail, but only to show you that I can back up every state- ent that I make. I want to speak first of the source of my informa- ion concerning this as a domestic manufacture. This circular was sent ut to the manufacturers of the United States, engaged in this industry, f which there are, according to the best estimates, from 75 to 145 or 47; the additional ones being those who are mainly engaged in manu- acturing in their own homes with the assistance of their families; but here are 72 or 73 of the principal manufacturers in the United States ngaged in this industry. This circular was sent to them and the eplies received by me serve as the basis of my information. The eplies to this circular are confidential as between manufacturers, but he members of this committee can examine them if they desire to o so.

The circular is as follows:

NEW YORK, *May 17, 1893.*

SIR: The Pearl Button Association of the United State has retained Mr. A. C. aymond, of Detroit, Mich., to represent its interest before the committees of Con- ress which at the ensuing session will have the new tariff bill in charge. It is of he utmost importance that he shall be put in possession of the exact facts concern- ng our industry at the earliest moment, that he may be able to present them accu- ately and intelligently before the committees. We have nothing to gain by any xaggerated, untrue, or misleading statements, for our case must rest upon its real erits, honestly and clearly set forth. The information furnished him by each man- facturer will not be disclosed to any other, but used solely in preparing data for the enefit of all. Please fill out the blank attached hereto and forward to A. C. Ray- ond, 65 Moffat Block, Detroit, Mich.

Yours, etc.,

A. W. NEWELL,
W. H. LELAND,
A. J. OSTHEIMER.
Trustees Pearl Button Association of the United States.

This section [indicating] is the lowest quality, and is called
s." This next section here [indicating the center of the shell]
es the bulk of the staple pearl buttons, known as "half fines"
diums." This next section produces the better qualities, known
ee-fourths" and "fines."
Blumenthal suggests that the present duty be reduced to 1 cent
nd 25 per cent ad valorem, which he says will enable a manu-
r to make finer qualities at least.
n we buy this shell we buy it as a butcher buys meat, bones and
h these thirds and half fines in it. We have to use up the
shell and sell the whole product. For that reason I say that
ne duty suggested by Mr. Blumenthal might enable the manufac-
) make the finer lines of goods, it would prevent him from mak-
se cheaper lines of goods; and as these constitute quite a large
of the products of each shell, it would stop the factories if the
ould be reduced to his figure.
I have here the different processes of the manufacture of but-
have also the thick discs [exhibiting the various processes].
are five operations through which every pearl button has to pass.
e here a tool which is used in the pearl-button industry. It is
a "chuck." You will see that there is a little place cut there
button. A peculiarity of this business is that every individual
has to be handled by the finger and thumb of the operator. It
s an enormous percentage of actual handling. This cutting tool
nto the lathe, the disk cut out, which is afterwards put in the
:" and treated with this turning tool, which is such a tool as
f you have seen in a turning establishment where banisters and
osts are turned out. So you see a turner in any portion of the
either in the United States or abroad, can take his lathe, buy
shell from a dealer in shells, go into his room, put up this lathe,
rform every operation connected with the manufacture of pearl
s from the shell to the finishing of the buttons. He is usually
d by his wife and children in the minor operations of carding,
, etc. This explains why the pearl-button industry can never
a monoply.
e next place let me say that this business is not monopolized or
ed by any combination to raise the prices. I have come in con-
th several of these manufactures, and I find that they are very
of each other. Each one is afraid that the other will ascertain his
. They are not controlled or influenced in their prices by the
tion. It is a voluntary association, and was formed to present
d front and united money against this attempt of Mr. Blumen-
import these pearl buttons at 40 per cent ad valorem against
and against the interests of manufacturers. Any poor Bohe-
Austrian, or German who was a turner at home (and there are
numbers of people in Austria known as turners from the cradle,
and son, generation after generation) can come to the city of New
r anywhere else, with a chest of those tools, buy a little lathe and
ork in his room making pearl buttons, and can sell them to Mr
thal. So it is not a monopoly, and no monopoly can be formed
ent anyone engaging in the business who knows how to use
tools.
the number of manufacturers, I have a list here (Exhibit 37
was furnished me by the president of this association, coverin
-two of the leading manufacturers of the United States. I
o furnish some evidence as to the truthfulness of this statemen

. RAYMOND. Perhaps Mr. Tarsney had better address himself to question.

vant to say something about foreign wages. I have attended ngs before this committee frequently, as all of you know. I was nt during one of the hearings on the McKinley bill. At that I heard my friend, Mr. Breckinridge, ask men who came before ommittee asking advances in duty to show him in detail wherein vhy American wages were so much higher than foreign wages. ' nearly every man fail to do it. I have here [indicating] the wages in foreign countries in this industry up to date. I said to these emen of the Pearl Button Association: "If you claim to me that .merican rate of wages is such a large per centage higher than the gn wages I want you to prove it. I want you to send a man to pe and let him go into the pearl industrial sections. I want the unions price list, with the signatures of the officers of the trade is, and I want them to go before United States consuls and make vits as to their correctness." That has been done. It is on these that I propose to base my remarks. I have here Exhibits 20, 21, 3, 24, and 25 from six different American manufacturers showing ost of their operations—cutting, backing, facing, polishing, drill-boxing, shop expenses, and material. It varies on 14 to 26 line ns from 32 cents to $1.64 per gross; out of that total we take the of the shell for each size of button. The balance is the money for labor. There is nothing figured in as interest or anything of kind. I find the percentage of the labor in the completed product from 44 per cent up to over 86 per cent. I take the figures pre-d by these manufacturers. I have one paper here which the man-urer sent me to see it that was what I wanted, and he said he l make affidavit to it.

e notice to appear here came suddenly when I was at my summer ence, and I had no time to send for his affidavit; he is responsible, his statement can be verified. (This statement has since been sworn The grand result of the affidavits of these six leading manufac-s shows the average of labor cost in this industry to be 61 per cent. Exhibit 38.)

. MCMILLAN. Have you the statistics showing what is the per-ge of the labor cost abroad?

. RAYMOND. Yes, sir; I have all the statistics, which I will be hted to leave with the committee, together with the affidavits taken e United States consuls.

. MCMILLAN. What proportion is labor cost abroad? You have the proportion which labor cost bears to the whole cost of Ameri-roduct. What I want to find out is the statistics which gives the ortion of labor cost compared with the whole cost abroad?

. RAYMOND. The price of the shell, probably, does not vary much een New York and Vienna, and the figures show, on an average ce of buttons, that the difference between the American price and oreign price is about 85 per cent. The difference in the labor cost ross in most cases is about 200 per cent. This matter I will refer another proposition. I have them all arranged in numerical order. Exhibits 27 and 28.)

ıy in proposition three, that the average earnings per week in this ry are 185 per cent more than they are abroad. Per gross they bout 200 per cent greater.

: TARSNEY. That would leave the average labor cost abroad about r cent?

Mr. RAYMOND. Twenty-five per cent or 30?
Mr. TARSNEY. Thirty per cent of what?
Mr. RAYMOND. The increased labor cost hereof, the product is about per cent of what it was over there?
Mr. TARSNEY. You do not mean that the labor cost of the product is ly 30 per cent?
Mr. RAYMOND. No, sir; the average labor cost in this country, cording to the estimates I have given, is 61 per cent. I have dis-vered that in figuring out percentages you are liable to make mis-kes unless you stick close to your figures.
Mr. TARSNEY. You say the labor cost here is 185 per cent greater an it is abroad?
Mr. RAYMOND. 185 per cent greater, based on weekly earnings; but sed on piece work, about 200 per cent greater. I am talking about e percentage of increase.
Mr. REED. The relative labor cost is an entirely different thing from tual labor cost. The relation between material and the work put on it might be the same in both countries and yet the labor cost be ry different?
Mr. RAYMOND. I prefer in discussing this matter of percentage to ng closely to this calculation which I have made, because one is liable become confused on percentages.
Mr. BRECKINRIDGE. Have you calculated the cost of production re and abroad? One man may have one percentage of cost of pro-ction, and another man may have another percentage.
Mr. RAYMOND. Yes, sir.
Mr. BRECKINRIDGE. If you need to protect an article here, and the fference in cost is too much, whatever it is that is causing that differ-ce, whether labor or something else would be entitled to be con-lered in your answer. Therefore it seems to me that your calculation ould address itself to that proposition.
Mr. RAYMOND. When I come to a certain proposition which I have re I will produce the tables referring to that.
The CHAIRMAN. We are pressed for time, and I hope you will be peditious.
Mr. RAYMOND. I will do so and will answer all these questions in eir order.
Mr. PAYNE. I think we had better let Mr. Raymond proceed until has finished and then ask him questions.
Mr. RAYMOND. I have here Exhibit 28, which shows the earnings r week of workmen in twelve places, including England, Vienna, ague, Brunn, and other places in Austria and Bohemia, compared th the earnings of American workmen. The grand result shows that r wages are 185 per cent more per week than their wages, all of ich is supported by these exhibits.
These estimates are made out in the original German and translated, th the original typewritten translations attached to each case.
Here is a comparative statement of the cost of American and foreign nufactures per gross for labor. These are Exhibits 21 to 26, and ow about 200 per cent on each size of buttons more for labor in this ntry than abroad. This is supported by affidavits.
Mr. TURNER. How do you get the percentage of the prices of goods this side since you say your clients will not disclose their prices?
Mr. RAYMOND. I have the price lists. I say they will not disclose *em to one* another.
Mr. GEAR. It is based on that statement?

IOND. On their statements and affidavits. If any state-
n I make are controverted, you can question several of these
ers who have pledged me to stand up before this committee
th to these facts. I do not want to deceive this committee

urth proposition I will say that the average increase of the
the manufacturers' price for staple buttons in the United
per cent, while the average increase in the jobbers' price is
: cent. We went to a prominent importing firm in Detroit,
re & Co., and they went back to their price list of 1889 on
See Exhibit 36.) Their figures show that in 1893 the job-
average 52½ per cent over the prices of 1889. I employed a
o the leading retailers in the city of New York, also to a
ch one of the members of this committee is interested and
uttons. I have here the result of his purchases with the
n every case, and description of the buttons, showing the
per dozen. I wanted to see how much more the consumer
as the result of tariff, or whether the retailer was asking
prices, and I discovered the latter.
ere the 11 exhibits. (See Exhibit 29.) I will not give the
ake the average size, class, and quality of staple buttons
ilers and jobbers and I find the difference between the
ers and the retailers to run from 50 per cent, the lowest, to
the highest, and I have one exhibit not in the list which
the retailer's profit in one case was 200 per cent. A fair
jobber should be 15 per cent, and for a retailer 25 per cent.
gentlemen of the committee will acknowledge that. These
oods just as brown sheetings are staple in the dry goods
If 40 per cent was taken by the retailer and jobber out of
as shown above, it would show an excessive profit of 57 per
:e than the entire increase on the staple goods between the
89 and 1893, as shown by Edson, Moore & Co.'s price
an not legislate to make retailers reduce their profits. (See

position five, I will say that the prices of garments, such as
for which pearl buttons are largely used, have not been
cent on that account. I have here letters from ten of the
ufacturers of underwear written within twenty-four to forty-
which show the increase on buttons has in no instance been
ne price of the garments since the McKinley bill. (See
, 40, 41, 42, 43, 44, 45, 46, 47, and 48.)
facturer has absorbed the small difference, not more than 2
garment. Nothing comes out of the consumers who buy the
and I suppose that if this investigation had been continued
. cotton the same thing would have been found—that on the
consumer has not paid it. The increase is absorbed by the
er.
proposition is that present prices for an average invoice of
ican pearl buttons are 85 per cent higher than for same
ported from Vienna in 1889. I have here a statement of
ienna of the various qualities running from 16 to 26 lines,
United States of the same qualities at the present time.
s are made by different houses, and they are correct and
the price lists in both cases. (See Exhibits 30, 31, 32, and

While it is true that some low grades of buttons in Vienna sell at 12½ cents per gross, which are worth in the United States 150 per cent more, if you take the high-grade button of the same size selling in Vienna at 65½ cents per gross, you will discover that the price of that button in the United States is only 25 per cent higher, or 88 cents per gross, so that while the low-grade button is six times as high in the United States as the high grade button, relatively, still the actual increased cost per dozen buttons of the American goods is a little over 1½ cents per dozen on the low grade, and a little less than 2 cents per dozen on the high grade. (See Exhibit 32.)

We have to buy the whole shell and must sell the whole product of the shell. Take the average price in Vienna and in the United States for thirds and for various other qualities, and multiply the average price of each quality by the proportion of that quality found in an average invoice of 100 gross, and we find that the cost of 100 gross of buttons is $41.75 in Vienna, and $77.40 in the United States, or 41¾ cents a gross there, as against 77½ cents per gross here. This calculation shows that the average increased cost of a gross of American over foreign buttons is 85 per cent. (See Exhibit 30.)

Hence you see that all this talk about the duty on pearl buttons being 300 and 400 per cent is utterly untrue. Take the proposed schedule of 1½ cents per line and 25 per cent ad valorem, and you will find the cost of the American gross of buttons with this duty added to the Vienna price will be 81.95 cents against 77½ cents, the present market price. (See Exhibit 31.) In other words, if all of the proposed new duty should be added to present foreign prices the price of American buttons would be increased only three-eighths of a cent per dozen over present selling prices. (See Exhibit 31.) This, it seems to me, is conclusive proof as to the fairness and justice of the rate we ask, and it ought not to be cut down one iota.

As to the change in the working of the tariff in the pearl-button schedule, I think the language I suggest in proposition 7 ought to be substituted. Mr. Blumenthal, himself an importer, agrees with me as to that.

I want to say that this industry has improved rapidly. Machinery has been introduced into these factories, and the cost of buttons is decreasing. The industry does not need an increase of duty nor the retention of the present duty, and I have not asked for either to-day; but have merely stated the exact facts and asked that the duty which represents substantially the difference in labor cost be retained. We trust that this committee, after having shown them that this is a proper duty, based on sworn statements, will not cut down the rate we ask for one-quarter of a cent a line, or any other amount, especially as we voluntarily suggest a reduction of 40 per cent in the specific duty. And in no event should the duty be made purely ad valorem, because the moment you make the duty an ad valorem one on an article of that kind, which depends so much even upon the direction in which the light falls upon it, upon the shades, qualities, and different coloring of button faces, which can only be distinguished by an expert, you will practically destroy the business by opening the door for fraud at the hands of importers. These manufacturers ought not to be subjected to any such dishonest competition. It is absolutely essential that this duty should be partly specific and part ad valorem. I do not know that I have anything further to say.

Mr. REED. Your idea is to have a duty which would be protective?

:OND. My idea is to have a duty which will make up the
: the cost of production.
. This cost of production is shown by the sworn statement
bor and capital, and everything which goes to make up the
goods between this side and the other side, does it not?
:OND. Yes, sir; the difference in the price is based upon the
:s in Vienna and in New York.
. It is not, therefore, confined to labor alone, although that
ge part of it?
:OND. Yes, sir; I will state that the proportion of labor is
:rger than here, from this fact; the factory system does not
there except to a limited extent. These poor turners go
:w pearl shells and work with their families in their rooms,
in the open market with the finished product and sell it.
:00 to 500 of them compete in the same market. It would
:el weep to see the small pay sworn to as being received by
urners. This business will ultimately go into the factory
re improved machinery will reduce the cost to a point at
and laborer can not support himself in the industry, any
ie old shoemaker in New England could now support him-
:ed to do by going around among the families and using up
in making shoes. If this industry is permitted to sustain
:asonable length of time I assure you that it can ultimately
:urely a revenue basis as any other industry; but just now,
iese figures, which I would not misstate to you, it seems
ur request is simply fair and just, and I believe that the
party is not going to do anything that will intentionally
anufacturers of this country.
. On what basis?
:OND. On the facts.
. On the basis of protecting labor?
:OND. Where the facts can be shown or proven as has been
statement. That is right and in accordance with the Demo-
rm.
. Is not that the part of the Democratic platform which was
?
OND. No, sir.
. That point was rejected.
OND. All the intelligence and good judgment does not rest
:lican party. The Democratic party represents the majority
: of the United States, and has as much judgment, intelli-
:m, and capacity for the government of this great nation as
:rity.
. Does it occur to you that you have not answered my ques-
/ou not maintaining the doctrine which was rejected? I am
with you now. If what you state is so, ought it not to be
other industries?
OND. If you are in sympathy with me, and the same rela-
ns of facts can be shown concerning other protected indus-
u sympathize with me to the extent of a reduction of 40
heir duties?
. That depends upon the circumstances. If I was satisfied
would be left to protect the industry it might make a dif-
ive you found that this additional tariff has resulted in
s, and beyond that are prices not safe? For instance, to

idea: If you reduce it materially beyond what you say, it
; in the destruction of this industry, would it not?
IOND. I believe so.
. But if you raise it two or three points higher it would not
truction. If you are going to err why not err on that side?
IOND. I do not think the committee is going to err.
. That is a pious expectation in which I hope you will be

IOND. I have faith in this committee, even in the Republican

. That is right, you have faith in them in your present line

IOND. I think that upon an examination of these exhibits
e offered, this duty would be the only fair one, considering
ce in cost. Some of the manufacturers are using improved
and are making buttons quite cheap. They will utimately
educing the price of buttons very materially below present
those manufacturers who depend mainly upon hand-labor
ust eventually be forced out of the business.

PEARL BUTTONS.

(Paragraph 429.)

FRIDAY, *September 15, 1893.*

id H. Mercer, of Omaha, Nebr., was recognized to presen
g paper:

OMAHA, NEBR., *September 11, 1893.*

1 the cost of pearl buttons, line 24, as per card inclosed
1 our factory, and its actual cost per gross, finished and
r for market:

	Cents.
line 24 pearl buttons, at our factory in Omaha, for cutting blanks	
.....	12
.....	06
.....	18
.....	03
.....	03
ıy to button-maker per gross	42
. for carding	04
ead	01
.....	01
gross (Bombay)	35
ses	15
ost to us per gross	98

button-maker (expert) can make 5 gross, line 24, buttons
ıdy for carding, making $2.20 per day, averaging about,
from $10 to $12 (working ten hours per day). The girl that
s on cards will average about 20 gross per day, making 80
ay; an average button-maker makes about $8 or $9 per
ng ten hours a day. Last year we paid 8 cents more for
l buttons, but this year we have reduced wages on account
s are selling cheaper. We are selling pearl buttons at pres-
cent below the so-called black list price of 1889. We have.

e machinery, which is far better than machinery used in
ries.

inclose a statement of cost for line 24 pearl buttons in
nich amounts to 79 kr. per gross, and it costs us 98
ss for making same kind of buttons. If you will take the
s made in Bohemia and sell it in America, for say, the
ost at 79 kr. per gross, you could sell it in America for
s and take the 32 cents of United States money, exchange
an money, and you will get yet more than 79 kr. of
ney, so you will see that the Austrian or Bohemian manu-
sell his buttons in America for less than half what the but-
nake here, and still he will make a profit. Therefore, I
nust have a specific tariff, large enough so that the foreign-
pay the difference between 32 and 98 cents, so that he
o pay 66 cents duty on one gross of line 24 pearl buttons,
nding same on all lines.

it they will appear before the committee representative
manufacturers and they will explain the matter more fully,
ay that as far as we are concerned, that we can not stand
luty on pearl buttons, as we are working now with a
rofit. We have invested in our works over $20,000 of
elf have put in every dollar except three shares of $100
are owned by three of my workmen. The pay roll of our
nts to about $1,600 per month, and if the duty is lowered
ly lose everything, as we can not hire help cheaper than
now.

ver, I hope that you will be able to help to retain at least
uty so that I may be able to continue with the works. I
the industry all of my savings which I saved in the last
, and if the duty is lowered I will be thrown in the market
which I could hardly stand. Ever since the question of
duty on pearl buttons commenced my hair turned half
nave not had a good night's sleep since. I have tried to
ything truthfully and can send affidavits to sustain my

very truly,

FRANK J. KASPAR,
President Omaha and Western Button Manufacturing Co.

	Kr. per gross.
line 24 pearl buttons made in Bohemia on foot lathe.	
makers in Bohemia at present are making pearl buttons, line	
mbay, at	12
for carding, and the carding per gross, they pay	2
read, and paper box, all	2
shell to gross, Bombay	60
	3
	79

n-maker on foot lathe can make 5 gross per day, working twelve hours
g 56 kr. per day. Before the McKinley bill they paid for work for
ttons 21 kr. more per gross.

BUTTONS.

(Paragraphs 429, 430.)

THURSDAY, *September 7, 1893.*

STATEMENT OF MR. H. G. KNIGHT, OF EAST HAMPTON, MASS.

Mr. CHAIRMAN: I am here to-day with Mr. Newell, of Springfield, Mass., to make some statements with regard to the button industry. We are not here to make any argument or any speech unless the facts we present shall constitute an argument for our case, and we will not tax the patience of the committee more than twenty or thirty minutes, I think.

The manufacture of buttons, Mr. Chairmen and gentlemen, is one of the smaller industries of the country, but one of great importance to those who are engaged in it and dependent upon it for support. Statistics of the census of 1880 show the importance of that industry. The census of 1890 will show a considerable increase in the industry, and if the census were taken to-day it would show a far greater increase. In the last year or two a large number of companies have been organized for the manufacture of pearl buttons, and there has been a revival of the vegetable-ivory button industry, so that now according to the best estimate we are able to make there are about 200 establishments, certainly 175, engaged in the manufacture of buttons, employing a capital of $3,000,000. The amount annually paid in wages we estimate to be about $2,500,000, the value of the raw material used about $2,500,000, and the value of the product about $7,000,000. These estimates we have are approximately correct, but we can not vouch for their absolute correctness, for they are partly a matter of estimate. We will not trouble the committee with statistics at this time, but I will speak first of the different classes of buttons which are made. The button industry may be divided into four classes, each being indicated by the material chiefly used in their manufacture. Namely, first, manufactures that comes under the commercial or technical designation of cloth-covered buttons, such as most gentlemen wear on their best garments. In this class a great variety of textile fabrics are used. Piece goods and all manner of fancy goods are used, and the variety is very great. The second class is known as hard buttons made from vegetable ivory, India rubber, bone, ivory, glass, and various compositions. The third class are metal buttons, in which many kinds of metal are used in connection with glass or otherwise, and the fourth general classification would be pearl buttons, an important industry which has somewhat peculiar features and has increased greatly of late. Each class of buttons is made of a great variety of sizes, shapes, patterns, colors, and qualities, varying in size from one-eighth of an inch, which is five English line to 1½ inches, which is 60 English lines, in diameter, and varying in cost from a few cents per gross to several dollars per single gross of 144 buttons. So great is the variety and cost of buttons that it is impossible for any appraiser or merchant, who is not an accomplished expert in such matters, to judge correctly of their cost or value and that has been assigned as the reason, whether it be a valid reason or not, why the duty imposed upon imported buttons should be, partially at least, specific. We have nothing to suggest upon that point any further.

In most kind of buttons labor constitutes a large part of the cost of production. That is especially true of the vegetable ivory button to

which I have referred, as will be seen by the statement prepared by my friend, Mr. Newell, who is present, and who will, if desired, exhibit samples and explain the process of manufacture.

We are here to-day, Mr. Chairman and gentlemen, to represent and speak for two class of buttons, the covered-cloth and the vegetable-ivory button industry, both of which are leading and of the greatest importance we think. The pearl-button manufacturers have an organization and will speak for themselves by counsel or otherwise. The metal buttons have been enumerated with other manufactures of metal goods paying a duty of 45 per cent, and we suppose, we do not know, but we suppose the metal button manufacturers, who are very numerous in the country, are satisfied with the present duty. I will call your attention first particularly to covered buttons and the material used in making them. The tariff of 1890, speaking first of the materials used in the manufacture of these goods, says—this is the provision of the tariff under schedule N, paragraph 428:

Lastings, mohair, cloth, silk, or other manufactures of cloth woven or made in patterns of such size, shape, or form, or cut in such manner as to be fit for buttons exclusively, ten per centum ad valorem.

That has been the rate of duty on those goods for many years. At one time they were on the free list, but for many years they have been subject to a duty of ten per cent. Paragraph 430 of the same schedule, schedule "N," Sundries, says:

Ivory, vegetable ivory, horn, or bone buttons, fifty per centum ad valorem.

The silk buttons, of which many are made at the present time, more of silk than any other covered buttons, are subject to the same duty as silk goods in general, 50 per cent ad valorem. The material which goes into this button cloth, all of which is imported, pays a duty of 10 per cent, and you will therefore see we are protected to the extent of 40 per cent, the difference between the material, which is the cloth, which is all imported and which must be for the present, and the duty imposed upon the imported buttons. A good many buttons are made of worsted and woolen material; not so many as silk; but the duty on buttons of that class is the same as that which is imposed upon other woolen goods, and are mentioned in the woolen schedule, paragraph 398, with various other articles. The duty imposed upon imported worsted buttons in that paragraph is ample, and I am free to say is more than really is necessary. If it was of any interest to the committee we could show here to-day samples indicating somewhat the kind of covered buttons which are made, the kinds of vegetable-ivory buttons made, and the material which goes into the manufacture. Mr. Chairman, it is for you and the committee to say whether I shall open this package which I have before me or only speak of it. If it is necessary for the better understanding of the matter we will be pleased to exhibit samples—we could fill this room with samples if necessary, but we have only brought a few, which we will show if desired.

Our business is adjusted to the present tariff laws, and any reduction of duty, with the single exception I have referred to in worsted goods, would necessitate a reduction in the wages. Competition is sharp, profits are small, and prices were never lower than they are now, the protection being on the silk buttons, our leading article, 40 per cent. Any sharp reduction would create distress to individuals, to families, and to little communities where the industries are established. In the town where I reside, Mr. Chairman, with a population of 4,000 or 5,000 people, about one-third of the entire population of that town is directly

or indirectly dependent upon this industry for support, and the same is true of other localities I believe. We therefore ask that the present rate of duty be continued on silk buttons and on vegetable-ivory buttons, namely, 50 per cent ad valorem on the silk buttons and 50 per cent ad valorem on buttons composed of vegetable ivory. In the vegetable ivory goods we can see that the labor expended upon the manufacture of those goods would show a large percentage, and constitutes, probably, more than three-fourths of the entire cost of the goods.

Mr. BRECKINRIDGE. Will you let me see those buttons, please?

Mr. KNIGHT (opening package). Those are silk buttons, each of one size, and I will say to the committee that of each of these there are probably fifty or sixty patterns. All of these patterns can be made in six, eight, or ten sizes, and ten, fifteen, or twenty colors, so that this represents a number that will run up to the thousands—three thousand at least.

Mr. HOPKINS. What was the price of those buttons in the retail market as compared with the prices before the adoption of the present tariff?

Mr. KNIGHT. The tariff has been the same for many years, and my memory goes back to the time when they cost about twice as much as they do now, when we were dependent upon the imported goods.

Mr. HOPKINS. When you depended upon the imported goods did I understand you to say the price was double what they have been since their manufacture in this country under a protective tariff.

Mr. KNIGHT. On some kinds it was fully double, and on all kinds it was a good deal in excess of the present prices.

Mr. HOPKINS. Was the amount of duty on those articles changed in the so-called McKinley bill?

Mr. KNIGHT. It was not.

Mr. HOPKINS. It was continued.

Mr. KNIGHT. Yes, sir.

Mr. BRECKINRIDGE. Has the price gone down to the same extent on the foreign article?

Mr. KNIGHT. Comparatively few buttons of this class are imported at present. I do not know very much about the foreign article of these cloth covered buttons.

Mr. BRECKINRIDGE. You were speaking of cloth-covered buttons?

Mr. KNIGHT. Yes, sir; it remains for the members of the committee to see the material from which the cloth-covered buttons are made [exhibiting same]; there are a few of the many. In regard to the cloth-covered buttons I do not care to add anything, but will simply answer any questions that may be asked, if I am able to answer them.

Mr. BRECKINRIDGE. Are those buttons built upon a wooden or upon an iron shape?

Mr. KNIGHT. They are built upon a metal, mostly taggers' iron, so called, and some upon zinc, and some upon brass, but it is chiefly upon taggers' iron made expressly for that purpose.

Mr. BRECKINRIDGE. Most of them are built upon taggers' iron?

Mr. KNIGHT. They are.

Mr. HOPKINS. Where are the forms of those buttons upon which the covering is put manufactured, here or abroad?

Mr. KNIGHT. The forms are made in various localities—France and Germany, and a few in England, but mostly they are made in France and Germany.

Mr. BURROWS. They are not made in this country at all?

Mr. KNIGHT. Very little.

ows. Why not?
T. There are localities in France and in Germany, partic- the industry has been established a long time and a terial which is used is collected from various points. For yons, in the city of Paris, and certain other places, certain ade. There is no one factory where a variety of button de. So it is in Germany. They make only the one kind t. It would be impractical for one, two, or three factories he material which is requisite. Some efforts have been country and we ourselves have put some money into it e to making some of these materials here, but we are not successfully, because we can not make enough of any one is not enough of any one kind required to make it an blish these, so we gather them where they are made in n Germany.
INRIGE. You are speaking of the form?
T. Yes, sir; those are the forms.
NS. The covers are manfactured here?
T. They are the imported forms.
LL. By forms, do you mean covers?
T. The covers of the button.
NS. Where is the metal manufactured?
T. Oh, the metal, of course, is imported and cut here.
INRIDGE. This article which I hold in my hand is imported; ke much of this in this country?
T. Very little.
INRIDGE. I wish you would describe to us the process of buttons, as made of cloth, whether they are made by by hand?
T. It is done largely by machinery, and that is one reason of production has been greatly reduced in the last few last quarter of a century. These covers are cut with a
Most of the buttons are composed of five parts. There the button, which we call the shell and the back of the h we call the collet, the center of the button, a piece of ank of the button of canvas, and the cover, whatever you lly silk.
NS. You say the metal is imported also?
T. The taggers iron is imported, the zinc and brass we

NS. When you cut it in the form of the button is it done d?
T. It is done here.
You import the raw material and it is formed here?
T. That is to us the raw material.
You did not say how many hands were engaged in the try in this country; can you give that?
T. In this particular industry?
The general button industry of all kinds.
T. Yes, sir; we have that.
I did not notice that you gave it in your statement.
T. It is, approximately, 10,000. In 1880 it was 6,625; in ded 8,000, and we think that to-day it must be between 00, approaching nearly 10,000 operatives employed in the ches of the business.
What is the class of labor?

Mr. KNIGHT. It is mostly operative labor, of course there are a few skilled workmen in those establishments.

Mr. GEAR. Boys, women, and girls?

Mr. KNIGHT. Boys and girls; about half and half.

Mr. TARSNEY. Taking the entire cost of operating your plant for a year, including interest on money invested in it, the cost of your raw material of all kinds, and labor pay roll, what per cent of that total cost is represented by the labor?

Mr. KNIGHT. The qualities of the buttons vary.

Mr. TARSNEY. Well, silk buttons?

Mr. KNIGHT. On silk buttons it runs from 30 to 40 per cent; on vegetable ivory it runs from 70 to 85 per cent.

Mr. TARSNEY. The entire labor cost, then, in producing silk buttons is from 30 to 40 per cent?

Mr. KNIGHT. That is the operative labor.

Mr. TARSNEY. And the protection, now, is 40 per cent?

Mr. KNIGHT. Yes, sir.

Mr. DALZELL. That does not include the labor on the raw material, which comes to you?

Mr. KNIGHT. Not at all. The labor, I compute, is after we receive it.

Mr. TARSNEY. After you receive it?

Mr. KNIGHT. Yes, sir.

Mr. TARSNEY. The labor of preparing the material abroad is included in the purchase price?

Mr. KNIGHT. Certainly.

Mr. TARSNEY. Which is included in the expense of the material?

Mr. KNIGHT. At the present time there are about fifteen companies, firms, engaged in the manufacture of ivory buttons in this country, and they have been able to pursue it with only a small profit under the tariff of 1890, the duty being 50 per cent ad valorem. The prices of ivory buttons are much lower than formerly, and were never lower in our market than they are now. The improvements in machinery and tools have enabled us to reduce the cost of the product to some extent. These fifteen concerns turn out a product of about $1,000,000 a year at the rate they are running now, giving employment to 1,500 people or more, and a support to more than they employ. At the same time the importation of ivory buttons amounts to almost $600,000 a year, thus showing that under the present tariff we divide the business with foreign manufacturers, and the present duty therefore affords to-day revenue and protection. The imports of buttons into this country for the year 1891 aggregated $1,277,000; in 1892, $1,292,000; for the first seven months of this year, $820,000. If it goes through at that rate for the present year the imports will exceed $1,200,000. This includes ivory buttons, glass buttons, pearl buttons, metal buttons, and agate buttons.

Mr. BRECKINRIDGE. Those are not imports of ivory buttons exclusively, to which you have just alluded?

Mr. KNIGHT. No, sir; the imports of ivory buttons I can give separately. The imports of ivory buttons for the seven months of this year was $700,000.

Mr. BRECKINRIDGE. How long have we been making ivory buttons in this country?

Mr. KNIGHT. It was commenced in the seventies. It was established as a good business in 1874. About one-third, it will be seen by the figures given, of the ivory buttons used in this country are imported. A slight reduction of the duty on those goods would necessitate the reduction of wages of the operatives here, and a material reduction

would prove destructive to the industry in this country. Labor constitutes a large percentage of the cost of producing these goods and the present duty is only equal to the difference between the labor here and the labor in the same industry abroad. We have reliable statistics of prices paid for labor in this industry abroad.

Mr. GEAR. Where are these foreign ivory buttons made?

Mr. KNIGHT. They are manufactured in Germany, some in Austria, and some in France, but more in Germany than in any other country. Formerly some were made in England, but the German product has crowded out the English.

Mr. BURROWS. Did you say you had a table showing the rate of wages paid abroad?

Mr. KNIGHT. We have it.

Mr. BURROWS. Have you it here?

Mr. KNIGHT. We have not a table here showing those wages, but we know beyond all doubt what they are. Why, I have had the information, personally, from the manufacturers whose establishments I have visited.

Mr. BURROWS. Can you secure a table of the wages paid abroad in this industry?

Mr. KNIGHT. I can, easily.

Mr. BURROWS. Will you forward it to the chairman of this committee?

Mr. KNIGHT. If you desire.

Mr. DALZELL. We want a comparative statement of the wages here and abroad.

Mr. KNIGHT. Yes, sir; Mr. Newell, will you remind me of the necessity of having that done?

Gentlemen, as I said in the beginning, I did not purport to make any speech or argument, and I will not detain you further, but will ask Mr. Newell to show you some of the ivory buttons, stock, and the raw material, and add anything that may occur to him to what I have said. We can not believe and do not believe that your honorable committee will favor legislation which will destroy or cripple the two industries represented by us, the covered button industry and the vegetable ivory industry. We thank you for giving us this opportunity to be heard, and with your permission we will file a paper containing the substance of what we have said to-day and such additional points as may occur to us.

Mr. WHITING. You say the forms are imported, and the covering?

Mr. KNIGHT. The covering we call the form.

Mr. WHITING. There is a metallic form which the buttons are made upon?

Mr. KNIGHT. There is a metallic form on which they are made.

Mr. WHITING. Is that imported?

Mr. KNIGHT. That is not.

Mr. WHITING. You make that?

Mr. KNIGHT. Yes, sir.

Mr. TARNSEY. But you make it out of imported taggers iron?

Mr. WHITING. Does that enter largely in the cost?

Mr. KNIGHT. That is an item; the duty on that is about 40 per cent.

Mr. WHITING. You put the buttons together here?

Mr. KNIGHT. We import the cover and cut the cover, there are numerous processes of cutting it, some more rapid than others, and we cut the metal parts of the forms and we japan, or tin, or silver, or gild it.

Mr. WHITING. You refer to covered buttons?

Mr. KNIGHT. We use mostly imported forms or covers, like this we have shown you here.

Mr. WHITING. In regard to covered buttons, you import the form and you import the metal and you put it together here?

Mr. KNIGHT. Yes, sir.

Mr. WHITING. And the 50 per cent on that you wish retained?

Mr. KNIGHT. 50 per cent is the duty on the imported buttons, silk buttons, and the duty on the taggers iron is about 40 per cent, so our protection is little less than 40 per cent.

Mr. HOPKINS. In what form is that taggers iron imported which you use, how does it come, cut up so you can put the forms over it?

Mr. KNIGHT. No; it comes in sheets.

Mr. HOPKINS. Explain that fully to the committee.

Mr. KNIGHT. It comes in sheets, any length we desire. The common size is 10 inches wide and 28 inches long; some is 14 and some longer. We have it come in sheets such as we may order so as to conveniently handle it in our machines.

Mr. HOPKINS. When it comes in that form what do you do to it?

Mr. KNIGHT. We cut it.

Mr. HOPKINS. Describe the process you go through in getting it so you can put the silk cover over it and make a button?

Mr. KNIGHT. We cut the back of the button. Sometimes it is a blank and we have to perforate it. We stamp that with our trade-mark. The back of the button we call the collet. We cut the canvas that forms a shank and the cover, and then we put all that into the machine which brings the parts together and turns it out a finished button.

Mr. HOPKINS. Is not that taggers iron of which you speak manufactured in this country?

Mr. KNIGHT. Very little is manufactured in this country. The article we use is specially manufactured for button-making and for umbrella checks.

Mr. GEAR. Do you use one number, altogether?

Mr. KNIGHT. No; several numbers.

Mr. GEAR. Running from what.

Mr. KNIGHT. 32 to 38 wire gauge.

Mr. WHITING. All the parts of the button are imported and put together here; is that the fact?

Mr. KNIGHT. All the material is imported.

Mr. GEAR. You manufacture this material into different forms?

Mr. KNIGHT. Yes, sir. When I say "all," there are buttons we make from cotton and various materials, made in this country in a small way.

Mr. HOPKINS. Explain in regard to these buttons, why they are made out of materials produced in this country?

Mr. KNIGHT. We make a large quantity of buttons, for shirts and drawers, of cotton, on zinc or brass that is used on underwear, and is a very cheap article. We make large quantities of those, and they are made wholly of goods that are not imported.

Mr. WHITING. They have taken the place of the pearl buttons?

Mr. KNIGHT. To some extent.

Mr. WHITING. Because the pearl buttons were too high?

Mr. KNIGHT. I believe that is the reason.

Mr. WHITING. The pearl button is much better for that use?

Mr. KNIGHT. Much better, and there is another button which is taking the place of the pearl, an agate button which is not made in this country at all. It is made in certain localities where there are pottery

nts, where the labor is next to nothing, and they are sold cheap. They are sold down to 38 and 48 cents a gross, 3 or zen.
E. Vegetable ivory is used all over the world?
HT. To some extent.
E. There is not anything that could equal it anywhere?
HT. Well, it is said to be the best article that has ever been

rman and gentlemen, Mr. Newell will now show you some vegetable ivory. They are made in an immense variety and s and shows you will give you some idea of them. Before I Ir. Chairman, may we be permitted to put in, very soon, a ng forth the substance of what we have said to-day, with points as may occur to us?
IRMAN. Your testimony has been taken down by the stenere.
HT. Well, I hope he has it down correctly.
R. You will not forget that table in regard to wages?
HT. We have had but a few moments to prepare for this we only had notice for a short time.
R. I think you made an incorrect statement, inadvertently. stated the raw material was so much and the product was $200,000 more than the raw material, and I think that is a ich you perhaps would like to correct in your testimony.
HT. Those statistics apply to the whole button industry, ive it to you correctly.
R. You stated that the raw material used was $2,500,000 duct was $2,700,000.
HT. The product is $7,000,000.
R. You did not state that. (See same corrected.)
CKINRIDGE. You give those two items, what you pay for material, as covering the cost of the production?
HT. The cost of labor and material separately.
CKINRIDGE. Is it your purpose in giving the two to cover production, what you pay for labor and pay for material?
HT. Yes; that would cover the cost of production.

Button industry of the United States, from the census of 1880.

tablishments	124
pital invested	$2,013,350
oyed	6,825
nnually	$1,645,130
erials used	1,792,891
luct	4,449,542

oduct is supposed to be the total amount of sales.

Button industry of the United States as estimated in 1893.

tablishments	165
pital invested	$2,700,000
oyed	9,000
lly	$2,400,000
erials used	2,600,000
s sales	6,000,000
ion and cash discount	720,000
ceeds	5,280,000

ding July 1, 1893.

HORATIO G. KNIGHT.

IVORY BUTTONS.

(Paragraph 420.)

STATEMENT OF MR. N. C. NEWELL, OF SPRINGFIELD, MASS.

Mr. CHAIRMAN: I have a sample of the vegetable ivory nut and the way they cut it out which will perhaps be of interest to you [exhibiting same].

Mr. BURROWS. Where does that come from?

Mr. NEWELL. South America, Central America, largely Panama, Aspinwall, and different places.

Mr. BURROWS. That is what the button is made out of?

Mr. NEWELL. Yes, sir; there is a piece of button turned out of there. The center of it is all waste. We only get about 400 pounds of buttons out of a ton of nuts. The center is full of cracks and can not be used at all.

Mr. BURROWS. Is the material free?

Mr. NEWELL. The material is free. There is no duty on it.

Mr. DALZELL. What is it called in the tariff schedule?

Mr. NEWELL. I think it is called vegetable ivory; it is only known in this country as that. There may be a scientific name. This goes through some 12 or 15 processes according to the variety of buttons. Taking a plain button like this they are much simpler to make than the various colors; some of them are nicely colored, some are imitation buckhorn, and, as I say, some would require 12 operations, and some others would be 15 or more. Now, I wish to say a word in regard to the percentage of labor on the vegetable ivory button. On such a button as that it is 75 per cent labor; that is the proportionate cost of labor.

Mr. PAYNE. That is called the plain colored button?

Mr. NEWELL. Yes, sir; we make these in all shades, of course, so that they would match different garments, and for mixed garments we put mixed colors. It is the finest material in the world to take color. There is nothing whatever equal for a button, and the more it is worn the brighter it polishes, while the rubber and most other materials grow dull; but with friction from wear this brightens.

Mr. DALZELL. Is not that business comparatively new.

Mr. NEWELL. No; Mr. Knight said that the business commenced in 1874, but he is mistaken about that. We were making them in 1865, and it is an industry that really got ahead of the old country to start with. Although they manufacture them in England to a small extent we got into it very largely before they got into it, and thus we have driven them to the wall on it.

Mr. BRECKINRIDGE. When did this industry begin first?

Mr. NEWELL. I was stating we commenced it ourselves about 1865.

Mr. BRECKINRIDGE. Were you the first to make it?

Mr. NEWELL. No; there were one or two other concerns, but a little ahead of us only.

Mr. BRECKINRIDGE. When did they begin?

Mr. NEWELL. I could not tell you, but it was only two or three years before we did.

Mr. GEAR. After 1860.

Mr. NEWELL. After 1860 I am quite sure.

ows. Can you state the extent of the output in this country of button?
LL. Well, it is—I could not tell you exactly. Our capac-,000 gross a day.
ows. Does it supply the domestic demand?
LL. Yes, sir; we have enough machinery in this country domestic demand entirely, but we are not able to entirely foreign manufacturers.
ows. Why not?
T. Well, it is entirely on account of the cost of labor, et our material just as cheap as they do and it is entirely

. Where does the competition come from?
LL. It comes from Germany and Austria largely.
What is the relative difference between the labor of Austria and this country; can you answer that?
LL. No, sir; I can not, except it is known. I did not sup- be necessary to state that, because everybody has had en told them, that in Austria it is about one-third and in nt one-half.
Everbody does not believe it although everybody has ably.
LL. There are men working for me now who can verify all ents and do.
MAN. These are per diem wages?
LL. They are the wages per day.
RMAN. When you say labor is cheaper there than here r diem labor?
LL. Yes, sir.
E. In proportion to what a man produces is the labor e than here?
LL. Yes, sir.
E. Do you know whether the labor here is any more effi- oduces more goods than the labor there?
LL. Well, our experience is that the laborer from Europe ps is a little slower, but put him beside one of our employés a few weeks when they are right by their side. Of course the same to earn the same pay.
E. They are paid by the piece entirely?
LL. Everything we do is by the piece.
E. How do wages compare by the piece in England and your business?
LL. The price is regulated really by what they would earn That is just about a certain sum. Our girls earn on an 8 a week. Some of them would earn $7 and $8 a week smart, and others would go below the $6.18. Now men this——
INS. You stated the labor you paid here compared with in England is twice as much. Do you mean you pay twice the labor as for the same amount of work turned out in

LL. Yes, sir; we do.
INS. How is it as compared with the product which is Germany?
LL. You mean as to the quantity?
INS. I mean as to the product.

Mr. NEWELL. Well, I should say the German workman would do a trifle more in their own country than the English workmen.

Mr. HOPKINS. You did not get the point I am after. You know, I suppose, how much it costs you to produce a gross of buttons?

Mr. NEWELL. Yes, sir.

Mr. HOPKINS. How much does it cost in labor to produce that gross of buttons in Germany?

Mr. NEWELL. I could only answer that by saying one-third of the labor, one-third of what it costs here.

Mr. HOPKINS. That is, the German manufacturer, your competitor in Germany, can produce a gross of buttons for one-third of the cost of labor that you pay here?

Mr. NEWELL. Yes, that is our information from there; yes, sir.

Mr. WHITING. Have you men from Germany working in your factory?

Mr. NEWELL. Yes, sir.

Mr. WHITING. You think you pay them two-thirds more than they get at home when they come here?

Mr. NEWELL. Three times as much; yes, sir.

Mr. WHITING. As a matter of liberality and to aid the community established around you?

Mr. NEWELL. Well, our wages are fixed from the industries around us. All industries pay their help about the same prices, otherwise they would go from place to place. In order to secure our labor we have to pay as much as the envelope maker or the girls who work in the cotton mills, or other mills, so there is about an equalization of the labor around us, and that governs the price of their work.

Mr. GEAR. You do not do it out of charity, but do it because you have to?

Mr. NEWELL. Yes, sir. Our men average on this work $11.94 a week, and all we ask of course in this is to equalize the difference in labor.

Mr. TARSNEY. What is the factory price per gross of these buttons finished?

Mr. NEWELL. I could give you all of those sizes if you wish. Here is a vest and coat size, 24 lines, 50 cents, and 30 lines, is 65 cents, factory price. Of course there is the cost of selling and a discount for cash, 6 per cent for ten days, 5 per cent for thirty days, etc.

Mr. BRECKINRIDGE. I understood you to say that you pay your workmen not by the day but by the piece?

Mr. NEWELL. Yes, sir; by the gross.

Mr. BRECKINRIDGE. You did not give us their wages, however, in the form in which you pay them; you have given their wages computed by the day and by the week?

Mr. NEWELL. Yes; that is what they run per week where they work by the week. This work is counted up and they are credited each by what they earn according to the number of gross they turn out.

Mr. BRECKINRIDGE. Do you know what is the price of piecework of a corresponding character of work abroad?

Mr. NEWELL. No, sir; I am not able to give you that.

Mr. BRECKINRIDGE. Can you leave that card of buttons with us and give us a statement of how much you pay the workmen by the gross for each one of those numbers?

Mr. NEWELL. You see I will have to give the various operations. The turning is perhaps 3 cents, sawing a cent and a half a pound, and would be made up in that way.

KINRIDGE. You pay them that way; therefore the safest ›uld be to give us a statement of what it costs just in the ch you pay them. I do not ask you to give it immedi-

He pays for the different operations.
KINRIDGE. But I want him to give a statement of what he ı one.
LL. I can give you a statement of what each operation

KINRIDGE. Exactly, so we can know exactly what you pay each one of these numbers.
LL. I have given the total labor cost on buttons here.
ELL. No one operative makes a complete button?
LL. Oh, no; they go through fifteen or twenty processes et the button.
KINRIDGE. And you pay each one by the piece?
LL. Yes, sir; by the gross.
KINRIDGE. I will be very much obliged if you will give us a tement of these various items, and to make it so that we in that way just how much you pay your laborers.
LL. If you take the cost of that button, the samples on —

KINRIDGE. You can take your own time about making that

E. Do you make the highest gradè of goods?
LL. We make the very highest grade made.
E. The buttons which are more ornamental, I suppose, in ish?
LL. Yes, sir.
E. Will you state what percentage of labor is involved in grade?
LL. Yes, sir.
E. What per cent of cost of labor is there in the highest est grade you make?
INS. Better give a statement about the character of the

LL. I could not give it exactly now, but I stated it was from cent labor, 85 for the highest grade.
E. That answers the question, 75 to 85 per cent?
LL. Yes, sir.

BONE BUTTONS.

(Paragraph 480.)

LEOPOLD MORITZ, 1321 NORTH FIFTH STREET, PHILADELPHIA, PA.

SEPTEMBER 8, 1893.

MAN: I hope you will excuse me, because I do not speak ı. I will try and do the best I can, so that you will under- We are manufacturing bone buttons, and three years ago, were entirely knocked out of the market. Bone buttons ed for less than we paid in wages to make them. I have here, and I will hand it to Mr. Dalzell to be read.

(Mr. Dalzell read the paper as follows:)

Mr. LEOPOLD MORITZ,
1321 North Fifth Street, Philadelphia, Pa.:

SIR: Yours of the 13th at hand. If you had made us the same offer some time ago we would wrote you that we could not sell your goods. We could have sold 2,000 or 3,000 gross for you; but now a new enemy is in the field. The imported goods are now being sold here to our trade at $1 a great gross for a 27-line. If you can make us a price so that we can compete with them, we are willing to place an order. They cost about 85 cents to land here, and A-22 about 52 cents.

Yours truly,

———— ————.

Mr. MORITZ (continuing). Now, gentlemen, you see at what price they can be imported. Now, if you want to see it particularly, I will show what it costs to manufacture; but still, I suppose, you will take my word. These buttons have got to go through the hand twelve times, four times, one by one, before they can be backed. Those twelve boxes make a great gross, and the labor paid for the same is 90 cents, and you have seen here what they were imported for in 1885. Of course, we had to go out of business and lose the couple of dollars that we had saved. The McKinley bill put them at 50 per cent and we have come over here to beg you not to take that duty off. Please leave it on, so that we can make these buttons. We won't know what to do if we are knocked out, for that reason we have come over here to ask you to leave it on. I see some gentlemen laugh, but it is nothing to laugh at.

Mr. PAYNE. It is no laughing matter for you?

Mr. MORITZ. No, sir; I came into this country to work. This is the greatest country on earth. There is not another on earth like it. I am surprised that we have to come over here to talk about that question.

Now, gentlemen, I was 20 years old when I came to this country. I never earned more than $2.50 a week in Germany. Now, that is not very nice. It is very hard for a boy to come away from his father and mother. You will all agree to that; but still I want to say what brought me away. If you ask me what I did there I will tell you freely. I thought I could make more money on this side, and I made up my mind to come here. I had my first free lodging in Castle Garden. It was not because I did not have the money, but because I wanted to save the money I had. Well, I did not sleep very well in Castle Garden, and I was rather sorry I did sleep there. Next morning I went outside, and the first thing that attracted my attention was a workingman who came along with a shovel and a coal basket. He went up to a stand and bought a dozen oranges. Now, I thought he had an order from some rich man to buy the oranges. I saw that he took one and ate it. I never had seen a workingman in Germany eat oranges. It looked to me as though oranges were only for very rich people, but soon I noticed the workingmen eating them. I said to myself, "This is the country where I will be at home," and I made no mistake.

Mr. BYNUM. They are not buying oranges over in New York now, but are waiting for bread.

Mr. MORITZ. Yes, gentlemen; I am sorry to say it looks very bad. Of course I am a workingman to-day. I work to-day, and can sympathize with the working people. For some people it is very hard, for they have got no bread and no work. I can not see how it is. Of course, this is a kind of panic, they say, but still I do not know what is before us. I think I could give you my opinion, but you might then laugh again; but still I have my opinion about it, and it is not worth while, perhaps, for me to say anything more.

. What is your opinion? Please state it, in a word.
'ery well, and I will try to make it short. You see,
ather proud. Of course, we have a right to be proud,
one thing, and that is that the European people have
ocks. We have to pay interest on them. I calculate
an people own our gold. Of course, we have it now,
pay our debts we would not have much left. There
:. Our people go over there. We want to pay our
can do one thing, and that is, if you people, who are
fathers of this country, tell your children: "Children,
ir own work; you must not get your work done in
s." If we do our own work our money will stay here
ich. If we do not do our own work the money will go
l be poor. I can see no difference. If a man goes to
did, and loses his business, then he thinks about it.
delphia, where hundreds of dollars worth of machinery
u. It was button machinery. Some years ago, Phila-
it 5,000 people employed in making bone buttons, but
make them any more. Some smart manufacturers now
The other ones concluded they would lose everything.
re sold at auction, and nobody would buy them. A man
said, "Moritz, buy those machines." I said: "I don't
n a week I might be compelled to sell them again, and
fer anything for them." They were sold as old iron.
to see that, and that thing should not happen. We
'n work, for that is best for everyone.
show you something now on that point. Here is a
stone [exhibiting a small stone.] We use that in our
is imported. It is on the free list, from what I hear.
e to tell a lie. I will tell you, first, that I bought that
eighth and two and three-eighths of a cent. On the
bought 279 pounds of that pumice-stone, and a man
ce was four cents. I said, "How is that?" as the
is 2¼ cents. He said he did not know. One man
the duty on the other side, and the second one said he
I went to the third one. The third one told me that
combination. I did not know whether the combina-
n the other side or on this side; but still they told me
tion. They were sold for four cents. Of course I was
at they would come down again. I asked him again
told me that sometime they would go higher; and then
in, and he told me that they were bought in "lump;"
hey come from the other side at a cost of about 4½

my opinion this pumice stone could be manufactured
porter could not run the price up to 4½ cents.
Had we not better put a duty on it now?
I do not know. You see that shows that the importer
the consumer.
.. Pumice stone is not an artificial product; it is a

Yes, sir: I am not as much acquainted with the matter

uttons here, which I will show you [exhibiting some
· is the collar button we sell, but we can not make it

any more. They are all imported. I can not see why 50 per cent ad valorem duty should be enough. I think they must be undervalued.

Mr. WHITING. You say the button can be imported for less than your labor costs?

Mr. MORITZ. I said three years ago—from 1889.

Mr. WHITING. Until the time the duty was put on?

Mr. MORITZ. Yes, sir.

Mr. WHITING. Would it not be cheaper for the consumers in this country to give you a bounty and allow you to lie idle, rather than to have the buttons made here?

Mr. MORITZ. I want to show you how unjust it is to us here. It is on the free list, and the importer pays two and a half. For instance, you would pay me or any other button-maker a bounty, and you would be as badly off as ever. As soon as the importer finds out he has got no competition, then he has got the market.

Mr. BYNUM. Is there no competition between importers? You have said they were selling at that time for less than the labor cost. They put them in here very cheap.

Mr. MORITZ. But then, we made buttons here.

Mr. WHITING. At a loss?

Mr. MORITZ. Yes, sir.

Mr. GEAR. You shut up your factories?

Mr. MORITZ. Well, we worked about half time.

Mr. TARSNEY. You were making them at a loss, and the reason you did not shut up was that you were making so many?

Mr. MORITZ. Of course. I think I have already said a little too much. [Laughter.] I can tell you that I lost money that year, and I would not stand it another year. I say that to you frankly. Of course, we have got this machinery.

We people have got some feeling for the working people. I will tell you another thing. The manufacturer comes over here to see this Committee on Ways and Means. The manufacturer is really in no need of protection, or, at least, he needs less protection. No man in this room, if he goes into manufacturing—I don't care who he is or how much money he has—goes into it without the object of making a living and paying the interest on his money. He does it to make a profit. If a man makes no profit, he has to fail. Now, for instance, I make these buttons or any other thing, if a man comes in and manufactures them against me, he must make them for so much less than I can; and if he can not make them at a profit, what must he do? He must go back to his workmen and say, "Gentlemen, I can not pay that price." If they will not work at that price, he will have to stop. I say it surprises me.

Why is the American market so good? As I told you before, the American workingman lives like a lord as compared with the European laborer. The workingman here takes his money and spends it; but still if you should bring him to the same level with the workingman on the other side he could not do it. The workingman on the other side does not have all the meat he wants to eat. The laborer here gets it three times a day. On the other side he does not wear half as much clothes, and, of course, he has to patch ninety-nine times out of a hundred; but here he buys new clothes: that makes a difference. When the workingmen have plenty of money, we are prosperous. Take it away from them and we have the same circumstances as on the other side.

Mr. WHITING. Then, to be prosperous is to be extravagant.

Mr. MORITZ. Well, we are rather extravagant.

Mr. WHITING. The extravagance comes from the Government.

Mr. MORITZ. I think it does. It is very nice if a rich man can see the workingmen getting along so well. When you see that the poor workingman can not buy what he likes, it is pretty hard. I know how that is, for I went through those circumstances; and, of course, you people who have not done that can not appreciate it so well as a man who has.

The CHAIRMAN. What was the occupation of the American workingman who bought the dozen of oranges?

Mr. MORITZ. He had a shovel and a coal basket. [Laughter.]

The CHAIRMAN. He was a coal shoveler, and was not engaged in a protected industry.

Mr. MORITZ. No, sir; but still, Mr. Chairman, you can see that this whole country is one family. If one part of the country suffers the other will suffer. If we can not make a living in Philadelphia we can go somewhere else. We will go to Baltimore, and if we can not get a living there we will go down South or out West. The Southern man does not want us because he says there is too much competition there now.

Mr. TURNER. Did the workingman buy the one dozen oranges as a foundation for his breakfast?

Mr. PAYNE. The chairman's idea is that the Government should send the coal over and have the shoveling done on the other side.

The CHAIRMAN. No; that is not my idea.

Mr. MORITZ. Now, if you gentlemen have got nothing more to say, I have not. I hope you will allow the duty to stay.

Mr. BURROWS. Are you satisfied with the present rate of duty?

Mr. MORITZ. Yes, sir.

Mr. BURROWS. Can you do business at that rate?

Mr. MORITZ. Yes, sir.

Mr. BURROWS. If we do not allow you the rate what will be the effect?

Mr. MORITZ. We will have to stop the factory.

Mr. BYNUM. Or would have to go to doing something else.

Mr. MORITZ. Yes, sir; if you cut off the duty.

Mr. BYNUM. But the other fellow would get it cheaper.

Mr. MORITZ. Well, if you take off the duty I can go to the other side and make them over there. I would not like to do that, but I would make money. We can get workmen over there at from $1 to $2 a week. I could send the goods over here.

Mr. BYNUM. When you would send the goods over here, would you not have to buy something to take back.

Mr. MORITZ. Well, we could make that up by writing letters. I know the customers now. You see I would have that advantage.

The CHAIRMAN. Gentlemen, the next meeting will be at 2 o'clock, and at that time Mr. Storer will be heard on the question of hops.

And thereupon the committee took a recess.

COAL.

(Paragraph 432).

TUESDAY, *September 19, 1893.*

HON. H. G. DAVIS, OF WEST VIRGINIA.

e a map here which represents the coal fields
; is well known, as will appear from the number
nterested in coal, that it is one of the great
and one that should not be passed by lightly.
f the committee has allotted us one hour and
: the question now so that it may be understood
ıre to speak. I will occupy but ten minutes.
haps, that anthracite is the coal used on the
l domestic purposes, and that has been on the
Bituminous coal, which we are here especially
hardly anything else except in the manufacture
on by locomotives. It pays a duty of 75 cents
r considerably than the general list of dutiable
the bituminous coal people that there should
move down, in coal, with respect to the tariff.
to-day from four States, and it is hardly neces-
l. It would not be thought about. As I see
l representative from Massachusetts (Mr. Stev-
the people of New England could not consist-
ıt the same time say to the rest of us that we
mes as much on our goods which they manu-
people of New England, although they use a
t remain where it is.
ore of an item in the way of revenue. Statistics
ed about a million dollars from the United States
pped there. For instance, last year I think
1,600,000 revenue on coal. Our Government
s coal during the last two years nearly a million
ık it was $817,000 for the year ending June 30,
in these days, when there is such a call for
ded in revenue.
rable apprehension among coal men that cer-
coals may be made free, and so in some way
val than it has ever been, from the fact that
it is generally believed in the country, that a
y, and a company certainly composed of very
e gentlemen in New York and Boston, has
ith large investments in Nova Scotia. Our
hat free coal would be very dangerous to them.
ot be in the interest of the consumer?
e in the interest of the New England manufac-
rally. I have stated that consumers generally
over the Atlantic coast, use anthracite coal;
ld very likely want to promote the interest of
perhaps; but it is hardly fair—certainly it is
cause.
that they are on the wrong track, and you
them where they are now, and not let them

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able list.
It is thou

upon the misfortunes of our mining districts.
ot a local one; it is a general one. To-day there
nted here, and it is perhaps the largest delega-
l before you since you began hearings. There
here from all sections. Their interests have
They know the interest of the miner and the
a, West Virginia, Pennsylvania, and Maryland
ney are here for the purpose of impressing upon
portance of keeping your hands off this industry.
changed it ought to go up rather than go down.
in answering any questions which you gentlemen
There is one point bearing on this which I have

nat in 1854 coal from British America was free.
at year you know that no coal came to the United
ree last years there was nearly 1,200,000 tons,
annum brought into the United States, which
it one-fifth the entire seaboard consumption of
years, when the duty was $1.25, it fell off very
brought in about 8 per cent, showing that with
he exports were very great, and when the duty
ery much less.
is the only sharp competitor we have. For the
1892—I have not the figures for 1893—England
ates herself 300,000 tons, and paid a duty of 75
that duty off, which, perhaps, is four times as
oal on an average, and the result will be that a
of both coal from the provinces and from Eng-
s country. The facts are that we can not afford
on of the industry to have any duty whatever

beginning, and the chairman will hand you a
s, that coal is now a little over 22 per cent in
list; while the dutiable goods on the entire list
The coal duty is about one-half less than all the
d which the consumer uses.
ething said about reciprocity with Canadian coal.
, but it is time enough when the offer is made to
hardly come to us. As to the tariff on coal, it
t the first tariff, of which Mr. Madison was the
lieve, put coal at 56 cents per ton. The early tariff
r bushel or ad valorem; but, for the sake of con-
in tons. The tariff of 1892, which was the next
and following on down to 1812, when it was $2.80
at that time. One difficulty about it is that we
eaboard.
Mr. Clay's tariff, in 1842, put coal at $1.75. What
er tariff of 1846, followed up by the tariff of 1847,
rem duty of 30 per cent in 1846 and 24 per cent
nsidered to be a low tariff on coal, and yet that
0 per ton, while it is now 75 cents a ton. I name
cially to show that in the early days of the Gov-
above the rest of the dutiable goods, taking them
es to-day are far below the average of the duti-

miner and by the operator, too, that if coal is

made free, which I hope it is not to be, everything else that the miner and operator uses, the pick, the shovel, the hat, coat, etc., should not be taxed.

When coal comes to the seaboard, which is the place where the price of it is affected, it is probably 96 per cent labor. Coal is worth but 10 to 15 cents in the mine, and when it comes to the seaboard it is all labor cost, except that 10 or 15 cents. The whole of the product is American labor; and if coal is made free from any cause, there is no way that I can imagine by which we can compete, except by going to the laborer and saying, "You must take less for your labor;" and by going to the railroads and saying, "You must take less for transportation."

Keep in mind that the British coals are practically at the seaboard. I believe that in the British possessions the coal is dumped, in many instances, right from the mine into the vessel. Perhaps 20 miles would make the average of all the transportation in the English provinces. In our cases we are from 200 to 400 miles from the sea, and we have to transport it that distance by rail. If we put it on the cars at the same rate that the vessels charge that 200 to 400 miles is against us, and the 75 cents will not pay for transportation that distance.

Coal is sometimes called a raw material. I have just said that 95 per cent of it when it gets to the seaboard is labor, and whatever it is worth in the ground was only in consideration of using labor. When coal gets to the furnace, or the boiler, that is the end of it. It is a manufactured article when it comes there just as much so as any other article could be. If you take wool, or iron ore, or many other things, when they come to the factory they are only beginning to be manufactured, and it requires coal in many instances, for the purposes of manufacturing them. Why, then, should coal be classed as a raw material when it is nineteen-twentieths labor?

Mr. REED. What example is there of raw material in the sense of something on which no human labor has been expended?

Mr. DAVIS. I do not know of anything in that sense. All things I believe, after nature produces them, must be handled in some form or other.

Mr. REED. There is no such thing as raw material in the sense of speaking of coal as raw material?

Mr. DAVIS. Certainly not.

Mr. REED. You know that.

Mr. DAVIS. I should have stated in the beginning that I am in the coal and railroad business, and I feel both ways.

Mr. REED. For instance, you would not call wool raw material?

Mr. DAVIS. When wool gets to the factory it is a little different from coal.

Mr. REED. Please explain the difference.

Mr. DAVIS. When coal gets to the seaboard its use is ended. It is consumed, and it is a manufactured article when it gets there just as much as the coat upon your back. Bear in mind that free coal favors but one nation. No other nation will be benefited, except the British nation and the English provinces, and why should the United States and the hundreds of thousands of people who are now engaged in producing coal, and otherwise handling it in thirty States or more than half of this nation, be put at a disadvantage for the purpose of favoring a single nation and a few persons along the seaboard?

Mr. REED. Does giving coal protection establish a privileged class?

Mr. DAVIS. If you can call a million of people a privileged class who produce it, dig it, and bring it to the market, they are a privileged class.

. I could not do it. I wanted to know if you could.
. The miners are here to-day who dig the coal.
. I could not question that and never did. It is sometimes wanted your opinion.
. I am obliged to you.
I want you to furnish an argument to these people who this on the ground that it is a privileged class. If you out the fallacy in their views I would be obliged to you.
. The class of people who are interested in it—who dig in perhaps make 75 cents a day or possibly $1 or $2 a day. If 0,000 such people, and many of them in my little State, l a privileged class, I do not know where you can find a not privileged.
It is pretty big nonsense.
. Coal is a local article If you take the district of the l chairman of this committee——
That is what I wanted to do.
. If I were to look at you both, I would see a good deal in except that one has more in avoirdupois. I was going to ould take the district of the chairman, he has six counties e several million tons of coal. The men there are actually ing a tunnel for the purpose of working the mines.
. What district is that?
. That is the district of your chairman, the Second West here are 3,000 or 4,000 people there who are depending ely upon the digging of coal and getting it to market. ee and you take from them their bread.
M. What do they get for mining coal?
. From 40 to 60 cents per ton.
M. They do not get the 75 cents protection on the cost?
. They do not get that much for digging it.
M. Who does get it?
. The Government gets it.
M. If it is not productive of any revenue the Government it?
. It is not there at all.
M. Then nobody gets it?
. I do not know that I can say that nobody does get it. It he general way of protection.
M. Does it not add that much to the price of the coal?
. My gracious! That is hardly a fair question. The coal at $2.50, and how could it be added to the price of coal? ed that 95 per cent is labor.
M. The miner gets 40 cents a ton. I understand that there ton levied for his protection, while he only gets 40 cents. ?
. I do not know how you can say that 75 cents a ton is protection.
M. Who gets it?
. Nobody.
M. Then it would be no harm to take some of it off?
. It would do a great deal of harm. It would take off the is over 95 per cent, which you would take off that protec- coal in the ground.
M. I do not understand that anybody pays it. I do not

and how it would take it off, if 75 cents a ton is the protection coal. The labor only gets 40 cents for mining it. There is a that to pay for the labor.

DAVIS. The tariff is not put upon the American coal. It is put e foreign coal.

REED. Perhaps he is laboring under the delusion that the tax is the manufacturer on everything that is manufactured in the . That is not true.

DAVIS. You can not make such an argument as that on anything. not say that silks pays $11.50 when nobody gets it.

TARSNEY. How are the operators and the miners of coal in the f Illinois, Iowa, Missouri, Kansas, and Indian Territory affected tariff?

DAVIS. Not at all, except in a general way.

TARSNEY. The miners in those States engaged in mining coal uded in this 1,000,000 laboring men whom you desire to have ed by this tariff?

DAVIS. There are nearly 300,000 men engaged in producing coal United States, but the competition would not come to us, except e Atlantic seaboard.

TARSNEY. Do you know how any foreign importer of coal, who ages to labor, in transportation, etc., for so many miles distance ed when he disposes of his coal?

DAVIS. The States on the Atlantic coast will be affected very It is the coal which comes to the Atlantic coast that we com- th. If there was no duty whatever on coal, not one ton of our uld get 10 miles from the mine.

TARSNEY. If we permitted the importation of Nova Scotia coals would reduce the cost of manufacture, cost of the commodities ed in Massachusetts and New England generally to that extent, uld not that benefit the coal miners of the West whom I have ned, and who consume the Massachusetts products?

DAVIS. I think not. They would pay just the same for such goods ey pay to-day. There would be no change.

TARSNEY. If we can not take off, or reduce the duty on this coal the New England manufacturers, how can we justify a reduc- the duty on their manufactured products which our constituents get cheaper?

DAVIS. I have already said coal is now about 22 per cent ad n, and the dutiable list is about 48 per cent. You had better up, and let us come in with the remainder of the list; perhaps ll answer your question.

PAYNE. Is 22 per cent sufficient to protect the miners?

DAVIS. Yes, sir.

PAYNE. If the miners in West Virginia and Maryland have te protection in the 75 cents a ton, why should not the raisers , the manufacturers of wool, and everything else, have a pro- that is sufficient to make up the conditions of labor between ntry and the countries abroad? Why should not they all be on the same plane?

DAVIS. Certainly they should; I see no reason why they should he trouble is that coal is below the rest of the list, and you talk aking more off coal.

PAYNE. Seventy-five cents is adequate protection?

DAVIS. I do not know about its adequacy. It is a protection that get along with.

YAN. Where are your mines located?
VIS. In West Virginia.
YAN. What is the freight rate from West Virginia to the sea-

VIS. It depends upon circumstances; about $1.50 to $2 a ton.
YAN. No coal could come from your district to the seaboard?
VIS. I do not think coal could get 10 miles inward.
YAN. So that if we had free coal it would only be a benefit to
living along the seaboard?
VIS. Yes, sir.
YAN. What you complain of is that when you ship coal to the
you come in competition with this foreign coal, but when you
you do not come in competition with that coal, but with the
in the West. The geographical protection is not in favor of
n coal when it is shipped inward?
VIS. Yes, sir; the Nova Scotia mines are all on the seaboard,
are 200 or 300 miles inland.
YAN. What you ask is protection against the high-priced
tes in this country?
VIS. No, sir.
YAN. Are you a railroad owner yourself?
VIS. I am an operator, and president of a little road that has
ed coal, but has not paid a dividend. That shows that they
aking great fortunes in that traffic.
YAN. What is the tonnage?
VIS. Four mills per ton per mile. The coal sent to the sea-
h which we have to compete, pays only 4 mills per ton for its

RSNEY. How is it in other directions?
VIS. It pays a little more—half a cent.
RSNEY. Then the railroad operator discriminates against our
le lying West?
VIS. I do not think so.
AR. The railroads divide with the miner to induce him to
coal?
VIS. There will not be much in mining if there is a reduction
iff. There are other gentlemen here, and I would be obliged
I hear them.
YAN. You have come to give us information, and we are trying
formation. Do you know what they pay for mining coal in
tia?
VIS. They pay about the same that we do here.
YAN. And yet you come here and say a tariff is necessary to
our employés when they pay as much in Nova Scotia, the coun-
ntry, as we pay here.
VIS. At the same time I told you they were practically on the
where they could dump the coal right into the vessel, while
transport it from 200 to 400 miles.
RSNEY. It is not the cheap labor of foreign countries you want
ected against, but it is the cost of the difference in transpor-
nich is cheaper with them.
VIS. They are on the seaboard.
YAN. When they bring it to Boston it costs them less than it
?
VIS. Certainly.

Mr. BRYAN. You want protection against ship freight rates rather than against labor?

Mr. DAVIS. The American coals are not transported from one port to another in the United States in American vessels, but in foreign vessels, which are cheaper bottoms than ours. Nova Scotia coals can be taken in either American or foreign vessels, which are cheaper. The fact is, if you are going to have free coal, you ought to give us free ships.

Mr. BRYAN. The law which denies us free ships is a disadvantage to you when you ship coal in this country?

Mr. DAVIS. Of course.

Mr. BRYAN. Is it not true that if the tariff was taken off the railroads carrying coals East might have to reduce their rates in order to compete in those Eastern markets?

Mr. DAVIS. I take it that the railroad rates are about as low as they possible can be made. We haul as low as 4 mills a mile, and I do not see that it could be made cheaper.

Mr. BRYAN. Since you admit that the rate of wages paid in Nova Scotia is as low as it is in this country, perhaps the reduction ought to be made in freight rates rather than in wages?

Mr. DAVIS. It would have to come off both. It could not come off one.

Mr. TARSNEY. Are railroad companies generally mine operators?

Mr. DAVIS. Very seldom.

Mr. BRECKINRIDGE. I see that we ship some coal to Cuba, and have done so for a great many years?

Mr. DAVIS. Yes, sir.

Mr. BRECKINRIDGE. How much coal is shipped from all sections of this country to Cuba?

Mr. DAVIS. Probably 1,000,000 tons are shipped from West Virginia and Maryland.

Mr. BRECKINRIDGE. You there come in competition with coals from foreign countries?

Mr. DAVIS. Yes, sir; English and Nova Scotia coals.

Mr. BRECKINRIDGE. And you maintain a successful competition with them all the time?

Mr. DAVIS. It is not very successful. They can get it there cheaper than we can.

Mr. BRECKINRIDGE. You have been enjoying this market for a great many years, as is shown by the table of exports. Do we not supply all the gas coal for Havana?

Mr. DAVIS. Not all of it.

Mr. BRECKINRIDGE. For a great many years your section of country has been shipping approximately 1,000,000 tons a year to Cuba. Do you pay the miners who get out the coal any less than the miners who get out the coal which is sold in America?

Mr. DAVIS. The miners are paid all the same. A miner does not know where coal goes to.

Mr. BRECKINRIDGE. Does he receive any different wages for that?

Mr. DAVIS. No, sir. There is no difference in a miner's wages. He can not take one carload and distinguish the different rate of wages between it and another one.

Mr. BRECKINRIDGE. If you get the same freight rates so as to successfully compete with English coal and Nova Scotia coal, why can you not do it at home?

Mr. DAVIS. We do not successfully compete.

:KINRIDGE. If you can do it successfully in Cuba, as you great many years, is it sufficient to say that you can not do What is the reason you can not and do not?

s. For the same reason that we can not do it in any other Sometimes competition is sharp and freights are low. it is one cost, and sometimes it depends almost entirely ts. It is not true that we successfully compete. We send ton in 50 that goes there. There is another thing to be ably our product suits that market better than the Nova because it is a better gas-making coal.

t. Is not that Virginia coal mainly gas coal?

s. The Nova Scotia coal and the English coal are gas coals, he extent that our Virginia and Pennsylvania coals are.

t. Therefore your coal is a necessity to that extent?

s. To that extent.

:KINRIDGE. Is it gas coal that you send to Canada?

s. Let me say to you that Canada takes good care to pro- ple. We are paying her to-day 67 cents tariff.

:KINRIDGE. Canada takes good care to protect her people coal, and yet we are able to overcome her protection and compete with her?

s. You forget that no West Virginia coals go into Canada. hich goes into Canada is that which is close up near the line, portation is less. The coals we are talking about are the d Maryland coals, and they do not go into Canada.

AN. Will you tell me how you sent this coal to Cuba; is it by rail?

s. It goes to Baltimore by rail.

AN. What is the rail rate?

s. I think it is $1.50 a ton.

AN. And then it goes from there by ship?

s. Yes, sir.

AN. Do you have the same rates for export as for internal ion?

s. Not always. Railroads give a rebate for the purpose of when coal is shipped to certain markets.

AN. Does your road do that?

s. My road is only one of thirteen roads. We all have our ata in that case.

AN. Your road makes a less rate when it ships to a foreign n when it ships in this country?

s. I did not answer that question.

AN. Will you answer it?

s. I said that the coal shipped to certain markets where rp competition has a rebate. I did not say it was foreign going to Boston to compete now with Nova Scotia coal can nuch as coal consumed along the line of the railroad.

AN. The competition is greater where the railroads meet the

s. That is true the world over.

AN. If we take the tariff off, could not that competition be railroads coming down in their rates?

s. No, sir; they could not do it.

'KINRIDGE. Is that rule of which you speak true with refer- coals that go to Cuba?

VIS. There is a certain law in the railroad bnsiness that certan pays more going to one place than to another. The longer the cheaper per mile the road can afford to carry it.
ECKINRIDGE. The coal shipped to Cuba is used in part for ng and in part for fuel. Therefore, what is not used for mak- omes in competition with the Nova Scotia coal for ordinary rposes, or as house coal?
VIS. There is none used in the house in Cuba.
ECKINRIDGE. What are its uses?
VIS. For general manufacturing purposes, and not for domestic

ECKINRIDGE. Does this rate for mining that you speak of Cuba as well as to America?
VIS. The miner does not know whether it goes to Cuba or to rican market. Railroads can not discriminate one way or the

ECKINRIDGE. I am not going into the matter. I simply wanted whether those rates to the miner applied to the shipments of uba?
VIS. They do generally.
ECKINRIDGE. You do not exclude the Cuban coal?
VIS. No, sir; we could not if we wanted to.

BITUMINOUS COAL.

(Paragraph 432.)

STATEMENT OF COL. WILLIAM LAMB, OF NORFOLK, VA.

AIRMAN: I think it proper to state that I am a merchant, in the city of Norfolk, Va. A part of my business has been y steamers with coal from the year 1866. I introduced the al from the Chesapeake and Ohio on the ocean. Afterwards Norfolk and Western interest was built up, introducing the ahontas coal to Norfolk, I was put in charge as agent of the as Company. I came here to represent the Pocahontas inter- fter getting here I was requested by these West Virginia n to speak in connection with them.
ry sorry, indeed, that I am not an eloquent lawyer, so that I sent the case more ably and succinctly. I think that there t deal in the question, and I shall ask you to give me your l attention, if you can, and when I tire you you can call me have got a great many papers here, but I do not intend to all. I thought I might have to answer some questions, and I hem along.
ocahontas coal interest is one that is depending altogether tariff. This coal is from Tazwell County, in Old Virginia, McDowell and Mercer Counties, in West Virginia. Mr. Jef- oke of this coal in his "American Notes." We were never ach this coal in Virginia until less than a decade ago, when erprising Pennsylvanians came there, and that is how it has t up. They built a railroad to these coal fields. I was deeply l in this as a Virginian. It was a difficult task to build that nelling hills, crossing streams, winding down the New River.

eat deal of money. Primarily it was estimated that it was ossible for us to get the capital to build the road to these and we did not get it until this question of tariff on coal . It was not a political question, but a mercantile one. h investors were unwilling to invest in it while the Morris under consideration; until after it was considered to be of the United States to leave this 75 cents a ton on coal. ve were able to get the money. I do not come here except nt, but I would state that we have had a tariff on coal ever ormulation of the Constitution, when the First Congress first tariff bill, which was approved by President Washing- protection of the coal pits in Virginia. What I know history of the coal trade is from my connection with it. at from an output of about half a million of tons in increased to such an extent that we shipped for the twelve ing June 1, 1893, 1,825,630 tons: employed in transportation, rs and 762 barges and tugs, employing 1,499 American ves- transportation of coal, and besides supplying with bunker at is my principal business, 482 ocean steamers, making 1,971 ving Lambert's Point for the twelve months. Of this ons about 200,000 tons went abroad, but nearly all of it he bunkers of foreign steamers. Steamers come here from load with cotton, grain, sugar, or some other product. It n whether they shall stop at Hampton Roads or go to Syd- other words, whether the 500 or 600 steamers coming to Point, or Newport News, will stop at American ports and al or whether they shall go to Sydney or other ports.

can say that this interest is dependent upon this protection per ton. No commodity, as Senator Davis has said, so resents labor as coal. He says that at the seaboard, alongarf at Boston, 95 per cent of the price of coal is labor and ion. The average value of coal in the ground is not over 10 n. It is raw material when it goes to Boston; I admit that. rything that does not change its nature, however much labor rtation it undergoes, is raw material. But there is entering ice of coal not only the labor, but the transportation. Now, he quantity we can haul to the seaboard the cheaper we can re are certain fixed interest charges on the cost of running The roadbed, the rolling stock, and the additional cost of siness, which cost decreases with the volume of the business n that point I want to mention, lest I should forget it, that trying my best to send our Pocahontas coal to Cuba, but it. I find that I have been able to sell only two cargoes the last year, and I would not have been able to sell that t been for this large volume of business, which decreases the on of the coal at Norfolk and enables me to compete with l.

is in great demand in certain markets, but this gas coal e sold in Cuba were it not for the fact of this great bulk of I do not think we sell over 50,000 or 60,000 tons of gas coal Ve could not send gas coal to sell in Cuba were it not for the e bring to the seaboard millions of tons of this other coal, gs down the cost of transportation.

KINRIDGE. I understand you to say that the reason you can as coal is an account of the facilities of shipping other coal?

B. Yes, sir; they therefore do something to protect them-

selves. We send from Lambert's Point gas coal to London; that is, from the Breckinridge mines, and Mr. Breckinridge, of this committee, may be familiar with that. There is only about 300,000 tons altogether going to Cuba from the United States. If you haul less than a million tons for a distance of 400 miles, as we have to do, there is precious little in it for the carrier. You must remember that the coal haul of 400 miles means a haul of 800 miles, because all the cars must be returned empty the whole distance.

I wish to state that, for although I am a merchant, I only own 10 shares in the Norfolk and Western. I have owned that ever since I was a mere stripling. I am a merchant dealing in coal, and am a forwarder. I do not own any stock in mines or in railroads. Our own plant at Pocahontas, is the smallest, employing only about 20,000 people, directly and indirectly, in the mines and mining districts. The number of railroad people employed in hauling coal, and building the cars, and running 162 locomotives and 10,000 cars, is 4,700. This duty of 75 cents a ton does not affect anyone in this country except those living on the Atlantic seaboard and the Gulf. It does not hurt them nor favor them. What has been done by the Norfolk and Western Railroad on the south side of Virginia has been paralleled by the Chesapeake and Ohio on the north side of the State. We bring these coals together. They bring cannel from Kanawha. This, in some respects, enables them to protect themselves, but if it were not for that and the help of that bituminous coal which they bring to the sea they could not ship cannel coal down.

The output of Virginia is very small compared with the 113,000,000 tons mined in the whole of the United States, but still it is a part of our production. It is raised in the two States and it is a matter in which those two States are vitally interested.

The coal trade of Virginia has increased from 4½ tons in 1878 to 10,000,000 tons in 1892. The Norfolk and Western, and Chesapeake and Ohio have very rapidly increased their facilities for transportation.

Now, this trade, and I suppose I may include Cumberland, although they have not asked me to speak for them, is vitally interested in this 75 cents tariff. It is not a political question, it is a question of bread and meat, of closing our mines and throwing these men out of employment.

This trade would be destroyed by the abolition of the duty, and I want to explain that as a merchant. The principal market is New England. I have some papers here, but I do not wish to burden you with figures. Lambert's Point sent about 1,000,000 tons of coal to New England, which, you see, is the larger part of it. We bring to the seaboard by the Chesapeake and Ohio a like quantity. This is about 2,000,000 tons. Deprive us of the transportation of these 2,000,000 tons and take the New England market from us, for we can get no other, and the price of coal at Lambert's Point and Newport News would decrease so as to paralyze the trade, except the local trade we might be able to get.

Mr. BRECKINRIDGE. Can you give us the reason for that?

Col. LAMB. I think so. When we first started this Pocahontas business, in 1886, we had to introduce it into the market. We hauled about half a million tons, and really about every ton we sold at Lamberts Point was sold at a loss. That was because of the capacity of the road. You must understand that the larger the business the railroad does the better will be its profits. If you keep the road employed *up to its maximum* capacity you can do the business much cheaper

than if you only do a minimum business. I say that if you take away those 2,000,000 tons which go into the New England market it will destroy our trade as rapidly as it has been built up. Our great competitor is Nova Scotia coal. We have to haul our coal from 275 to 400 miles. Maryland has not to haul it quite so far, but she has to go down the Chesapeake Bay 200 miles, and often against head winds, and sometimes ice. Nova Scotia is right on the water. Some of it is literally under the sea. After they get it up they can dump it right into the vessels and send it to New England in competition with this coal. They have no railroad haul. We learn that labor in Nova Scotia is about the same as it is here.

Mr. BRECKINRIDGE. How much cheaper do they sell that Nova Scotia coal?

Col. LAMB. They get their coal free on board at Louisburg for $1 per ton. We can not get it at Lamberts Point for less than $2.50 per ton. Navigation laws do not affect them. They would be able in time to carry it cheaper.

Mr. BRECKINRIDGE. Their cost is $1.50 a ton against your $2.50?

Col. LAMB. I will come to those figures in a moment. Here is a letter from Nova Scotia, published in the New York Times January 15, 1888:

FREE TRADE WOULD SUPPLY THIS COUNTRY WITH CANADIAN COAL.

A Halifax letter to the New York Times has the following: The coal famine, the ever-recurring troubles in Pennsylvania, and the prominence of "free coal" in tariff discussions make the coal fields within easy reach of the United States objects of unusual interest. Attention has recently been called to the coal deposits along the line of the Canadian Pacific Railroad, and very likely they may yet have great importance to the Northwestern States of the Union, but they can never compete for the coal trade of the manufacturing centers of the East. To the great Northern cities on the American seaboard the only Canadian coal deposits of direct interest are those of the maritime provinces, and they have an importance that is not fully realized. The New England market especially is concerned with Nova Scotia's coal possibilities, and will be most affected by a change in the trade relations, but the quality of Canadian coal and its low cost make its availability also a question of concern to New York manufacturers and to the railroad and steamship managers of all the seaboard States. The question is, Can the Provinces supply economically any considerable part of the 50,000,000 tons of soft coal burned every year in North America? Let the facts answer.

The most important of the coal fields in the Province of Nova Scotia is that in the island of Cape Breton, about the Bay of Sydney, on the eastern shore. The greater part of this field is under the Atlantic Ocean, but fortunately nearly all the seams can be worked far out beneath the ocean, and many a miner toils under the waves. The seams are very peculiar in shape, and long puzzled the geologists. Now it is understood that one who followed them closely would start from near the shore and would go downwards and inland till he met the turn of an ellipse, when he would bend round to the eastward, and with a slow incline go far out to sea. The miner, of course, does nothing of the sort, but sends down a shaft or slope at some point whence he can easily ship his coal, and then he hits the seam to be worked at a depth according to the place where his shaft is sunk. Then he works out in the seam, under water, and has "levels" almost level.

At Lingan, near Sydney Bay, there are nine distinct and well-known seams. (Most of these at other places are found under different names). The whole surface extent of the coal district thereabout is 200 square miles. The submarine fields alone, at at a low estimate, have been reckoned to contain nearly 2,000,000,000 tons, and this includes only the region that can be economically worked from the shore. So nearly impermeable are the strata that at a moderate depth the submarine workings are perfectly dry. Nearly all the seams lie at easy angles, and the roofs of the works are so hard that work is unusually safe. Yet with 2,000,000,000 tons available it is a rare year that sees the Sydney district mines bring much over 500,000 tons to the surface.

Next in amount of coal available comes Cumberland County, which lies between the Basin of Utinas and Northumberland Strait. The area of the field is estimated at 300 square miles. (It is not so well situated for shipping the coal as either the

ton district, but one port, Parrisboro, is only 25 miles from the oringhull, and offers the advantage of having not more than six or ruption to shipping.) The Cumberland district is producing not ons a year, not a tithe of what it might produce.

Nova Scotia's three useful coal districts is that in Picton County, iore of the peninsula, midway between the other two. It is noted of its beds and for their excellent quality. (In less than 6,000 feet sixteen beds containing 141 feet of coal, and varying in thickness Six of the beds measure altogether 80 feet. The thickness here bles that of European fields than anywhere else in America.) The ge about 100,000 tons a year.

cts produce bituminous coal, and bituminous only. There is no ct that it is good coal—better coal than most of that marketed vania mines. (Tests have repeatedly shown this. Coal from the , in the Sydney district, has yielded at New York and Boston gas e feet of 16½-candle gas and 1,160 pounds of coke a ton—a very sat-.) When tried on board Her Majesty's ship *Gannet* it was found to minutes quicker than any other coal that had been supplied to percentage of ash and clinker was very small. Analyses of other ie district have shown more than 80 per cent of carbon, making it oal. The Cape Breton coal had a big reputation in the United al, the average yielding from 9,000 to 10,000 feet a ton, but the xport, and the reputation is probably forgotten. The Picton coal d for steam-raising, and large quantities of it have been burned on and in the locomotives of the Intercolonial Railway. The Cum-been used for both steam and house purposes. The reports of the oth the Cumberland and Picton coals make little ash and compara-e when the right appliances are used.

l mined and put on the cars varies from 60 cents to $1.25 per ton. get from 85 cents to $1, and mechanics 1.10 to $1.50 a day. The -cutters vary from $2.25 to $1.75 a working day. The mines give bout 4,500 persons, and the underground workers do not average rking days a year. Labor is plenty and supplies are cheap.

xcellent coal, with all these favorable conditions for getting it out, Scotia coal industry really so insignificant? One word tells the ord is "tariff."

ars, from 1851 to 1867, the United States imposed no duty on coal. exports from Nova Scotia to the United States grew from 139,000 ns, the highest figure, in 1865, and in 1866, 101,000. Then came the n, and exports dropped, till in 1871 they were but 165,000 tons. y was reduced to 75 cents a ton, where it has since remained, but ly temporarily raised the export figure, it dropping again from 73 to 138,000 in 1874, and 90,000 in 1875. In the next ten years there tuations, but the general tendency was downard, and in 1885 the 34,483 tons. (The United States Treasury Department reports show nded June 30, 1886, the United States imported 76,575 tons from the es, valued at $96,900. Figures for the last year are not at hand, previous years, the trade has not been big enough to signify any-completness of the ruin brought to it by the existing tariff system.) erland County coal fields are as near Boston by water as are the l fields, and the Cape Breton fields are but a trifle further. Most om Cape Breton is from Sydney Harbor, which is ice-bound many ear, but just to the south is Louisburg, within a dozen miles of some h an excellent harbor, as good in winter as in summer. Were there ce to make these vast coal deposits available for the industries and w England, Louisburg, now but a ruin, might yet be what the amed it would be, one of the thriving ports of the New World.

rospectus of the Dominion Coal Company, limited. It ration, and a very respectable one, I have no doubt, with capital. It is a creature of the Dominion Parliament. ts directors Sir Donald A. Smith, K. C. M. G., of Mon- all intents and purposes a big foreign corporation, sorry to say that there are millions of American money

Who are the American directors?

Mr. Whitney, of Boston, is president. The treasurer

ney keep the money. His name is John
nanager lives at Cape Breton.
ney is that?
M. Whitney.
nerican directors?
directors are Henry F. Dimock, of New
ton; Henry M. Whitney, of Boston, and

o make out that this Mr. Whitney was
y.
that circular for the purpose of putting

king for suckers.
e company has been formed to carry on
porting, and selling bituminous coal from
ova Scotia. It has a charter which pro-
ted under a lease, running for a period of
y for the whole period being 12 cents a
d. This is more than we get in Virginia.
retofore made 40 cents per ton on their
id that the parties from whom they bought
per cent on their output. We can not
where in the United States.
he number of tons?
that in a moment. I feared that you
statistics. The circular then goes on to
refusal on all but two of the Black Dia-
vessels. That about closes out all the
is a merchant, for I loaded a Black Dia-
vessel with flour last year, and I remem-
to my care saying that this Dominion
ought their steamers. That information
I I therefore believe that they own all of

75 cents per ton be removed it seems evident that
ket on the New England seaboard, for which its
e it to compete on advantageous terms.
t coal f. o. b. vessel at Louisburg for about $1 a
shipped at any port in the world.
vs that the companies whose books he examined
ive years an average profit of about 10 cents per ton
ious sources of revenue, such as profits of the com-
s outside of coal traffic, and profits of the steam-
should be considerably increased by consolida-
an annual profit, for the combined present output
ines except the one above mentioned, operated

they no mines west of Quebec?
any others until they come to the Pacific

Pacific gets large supplies of coal from

that, but he was asking about Canadian
St. Lawrence in barges. We are able to
spite of their duty.

minion Coal Company has gone into the
elling coal laid down at the wharves at $3
000 tons of it. We can not profitably sell
oal costs us there $3.15. The New England
000,000 tons of bituminous coal. We are
est margins now to reach New England.
our output and yet our miners are not paid
It would be a shame to decrease their
ing this output are making no dividends,
dends at the present rates. The colored
nly get 15 cents per hour. These men labor
never struck for higher wages.
on laws which forces us to ship principally
e vessel owners have recently declared the
e threatened to tie up a large part of their
e barge system, as we can not get the cheap
minion Coal Company can employ to carry
could not meet current prices and survive.
rade generally, like coal cars, have to go

ning off, if we are to compete with Sir Don-
Montreal, who is now offering the Canadian
which, but for the reputation of Virginia
e have all we can do now to meet this com-
Now, if we go under, and you lose your
from the same cause, prices will advance in
r instead of having three or four independent
trade, you will have one foreign corpora-

mpany, limited, drives out the six millions
ew England market at 12½ cents royalty,
g for the support of the Canadian Govern-
gold (we will take silver for our Virginia
th England, what then?
England market because, so far as it is con-
s a protective tariff, and the small import
re it is not a revenue tariff, but certainly a
h on its protected industries, has no right
stries should have to use protected coal.
oal for domestic fuel, which keeps the poor
od, has no duty to pay. Our bituminous
ses exclusively, and I repeat that this duty
onsumer.
nts duty on steam coal in New England?
there now as cheaply as we can, after haul-
nding it 500 or 600 miles by sea, certainly the
y, but pay for raw material, transportation,
ought in by the Dominion Coal Company,
, and if they are not paying it why are they
pealed? It does not keep them from under-
nt this additional profit.
ns of bituminous coal mined in the United
one pretend the American people would
per if there had been no duty? The Ameri-
ake about this duty. It is the Dominion
poration, which is demanding the repeal.

600,000 square miles of bituminous coal already discovered
t country, and well distributed; it is the cheapest fuel
est number found in the world. It is proper that our Gov-
ould look after its development. It only needs protection
ast so that in time of war our seaports shall not be depen-
ign supplies. We suffered in the South during the Civil
nt of coal. Many and many a blockade runner, built for
a priceless cargo of cotton, was sacrificed by indifferent
se the splendid steam coals of Alabama, Georgia, and Vir-
ot been developed.
d enter South Atlantic and Gulf ports from Great Britain,
duty.
is something peculiar about this tariff on coal. While on
ic and Gulf coasts it appeals to the members who are in
otection, on the Pacific coast it is a tariff for revenue only,
s agreeable over there the duties can be paid in silver at 16

re some 1,350,000 tons of bituminous coal mined in Califor-
, and Washington last year, but the high price paid the
nts the 75-cent duty being any protection, and consequently
e foreign than domestic bituminous coal used in these States,
sco importing in 1892 more than the production of the three
ich production decreased over 600,000 tons from 1891 to
want of sufficient protection to make the business profit-
sion, as an American citizen, I beg you as a matter of jus-
in this duty on coal. Every one in Virginia is in favor of
serious question with us; the Old Commonwealth had too
led solely on agriculture to the neglect of commerce, manu-
d mining, and was getting poorer and poorer, but in the
a change has come over the spirit of her dreams and her
are whitening with the sails of commerce, her rivers are now
wheels of industry as they flow to the sea, her valleys are
with the anvil chorus, and her everlasting hills are giving
ich minerals which have slept undisturbed for centuries.
all this industrial development has so stimulated our people
ope and effort than the wonderful success of her coal trade,
ave any patriotic love for the old State, that contributed so
glory and renown of our country's history. I appeal to you,
of the most important committee of the House of Repre-
to save her from the grievous injury that would be inflicted
the Congress of the United States closes her mines for the
he Dominion Coal Company, limited, and their royal land-
ajesty's Colonial Government of the Dominion of Canada.
AN. Suppose we were to discover coal right along the Atlan-
d, could we mine it for $1.50 a ton?
B. Then it would not pay us to haul coal to the seaboard, a
400 miles.
AN. That is not the question. Do you think that such a dis-
ld be a national calamity?
B. No, sir; I do not think that anything is a calamity that
American production.

BITUMINOUS COAL.

(Paragraph 432.)

STATEMENT OF HON. W. A. M'CORKLE, GOVERNOR OF WEST VIRGINIA.

Mr. CHAIRMAN: I have no learning on the coal trade, but we have some gentlemen here, one especially, whom I hope you will hear. I am not here especially interested in the coal trade, because I own no coal mines; but I am governor of the State which has the largest coal area in the world, the State of West Virginia. It has 16,000 square miles of coal area. The State is now in the beginning of its progress, and is on the road to commercial supremacy. It is not similar to the Pennsylvania region of which my friend has spoken. Only four years ago the wolf howled and the fox screamed over the Elkhorn valley. There are to-day in that valley 10,000 men and 3,590 coke ovens making the whole country glow in the night-time with their flame. There is progress in such enterprises all over the State. We do not know, gentlemen of the committee, and I do not say it dogmatically, that the Nova Scotia coal will drive the West Virginia coal out of the market, but I do assert that we are to day giving four months' notes to the railroad company for transporting every ton of coal that comes out of the mines. I do assert that even with 75 cents protection to-day the miners in the New River section are trembling as to whether there shall be a strike. I do also assert that in my own beautiful valley, with the protection of 75 cents on this great product of the State, that there was a reduction in prices last week. I know that the State is doing the best it can.

Now, gentlemen of the committee, why should you do something the effect of which you know not of? Why not adopt a plan of which you will be certain? The present basis we know. If our markets were assured, if we were settled, we could take care of ourselves. But four years ago the great steamship companies said they could not sail over the blue waters of the ocean unless the steam was made with Welsh coke. Only last year, owing to the enterprise of the distinguished merchant who is here to address you, and the energy and vigor of the Norfolk and Western, American coke is to day driving the steam out of the boilers of vessels that go from here to Europe.

I heard someone speak of the consumer a while ago. Now the miners have come to tell you that if we take away the small amount of tariff, the selfish idea of the consumer must not alone be taken into consideration, but the people from the mines and the valleys are the ones upon whose shoulders the burden must fall. When we have to-day only a very small share of the tariff, would you take away the growth of the industry in those beautiful valleys and quiet the mines, make them shut down; make the coal-shaft stop, and check the busy energy and vigor of all that country? We are to-day looking down to the sunny seas of the South for the glory and progress of West Virginia. We are looking there to-day for the magnificent development which we have begun in our region, which is pouring the golden dollars into the beautiful Kanawha.

We are asking that our coal may go down the Ohio, through the Mississippi jetties which you have built, and in a short time through the Nicaragua Canal. I tell you to give West Virginia a chance and she will certainly drive out the coal which comes from the Australian Coal Colons of Her Majesty the Queen.

I am a Democrat, and I am talking from a Democratic stand-

say that the spirit of selfishness should not reign supreme. I
at this committee will not lay its hands upon the industry,
l paralyze my beautiful State, and will render sterile her fair
I know that perhaps you gentlemen are tired of these discus-
t you are here to-day to consider the question of the tariff on
now nothing of the special refinements of the tariff, but I do
; if you take away this protection the interest must die. All we
fair share of the policy of the country. I care nothing for
d gentlemen who claim to know all about this question. I
where they get their learning, but I know the people of
ginia. I know the miners of West Virginia, I know the coal-
ers of West Virginia, and I know the men who dig the coal,
are here to-day. I do know the storekeepers in West Virginia,
t I know the people from the wealthy coal baron down to the
l whose house is at the mouth of the mine. I care not what
ories are. You will never strike a man who is interested in
ndustry but you will strike the coal miner, the railroad trans-
d the river man. If you take the tariff off coal, which is less
ion than the average duties, I believe it will hurt you; but
side the refinement of theories and controversies, the great
n remains that you will hurt every man, woman, and child
n the coal industry. Therefore, I say, take your hands off
on coal and leave it as it is.
r thing I do know, and that is that politics to-day plays a
at portion of the State. I mean to say that we were raised
uffet for armies to march against, when men pursued each
n cannon. We are to-day in that same border warfare in the
ties of this country; therefore I say, meaning no threat, "don't

RSNEY. When were you elected governor of the State of West

or McCORKLE. Last November.
RSNEY. On the Democratic ticket? Did not the State con-
hich nominated you indorse the platform adopted at Chicago?
or McCORKLE. Yes, sir.
RSNEY. Was that in favor of raising the tariff schedule?
ED. It was for a tariff for revenue only.
RSNEY. That platform construed upon a revenue basis would
duction of the schedule as it now exists?
or McCORKLE. Yes, sir.
RSNEY. Will you please point this committee to any schedule
n could reform and reduce to a revenue basis?
or McCORKLE. I would reform the New England manufac-
riff, which is four times as high as the tariff on coal to-day,
has not its fair proportion.
RSNEY. Have you any West Virginia product on the tariff
which you could suggest to us to reduce in the line of Demo-
orm?
or McCORKLE. No, sir; and I will tell you that this protesta-
e people means that there should be a fair reduction, and not
; out of the one product of West Virginia, leaving thousands
luties on the product of New England which are bought by
mers and miners in the State where I live.
ED. What reason have you for supposing that only a reduc-
e duty on coal is contemplated?
or McCORKLE. I did not say anything about that.

Mr. REED. I believe in letting manufacturers live as well as the coal miners.

Governor MCCORKLE. Certainly.

Mr. REED. And consequently you mean to assist these gentlemen in reducing the tariff, which is necessary for the protection of New England?

Governor MCCORKLE. The tariff is a local question, and West Virginia is not in the position of New England.

Mr. REED. I want to nationalize it, and I want you to help me.

Governor MCCORKLE. We are getting New England ideas of thrift, and want fair treatment under the tariff laws.

Mr. REED. How much? I like a good deal you said. I like it a great deal better than Mr. Tarsney seems to. I quite agree with you, and if you will only broaden it a little, I will help you. In New England our mills are already shut down, and you have not yet reached that stage. I want you to address some argument to our Democratic friends on this committee that will induce them to spare you. We will help to spare you.

Governor MCCORKLE. I wish to say that at the election held last year they did not spare you.

Mr. REED. We have got to redeem ourselves from that last election.

Governor MCCORKLE. We are perfectly willing to have a fair reduction, understand; but the duty on coal is only half what it is on the products of New England. If protection is going to be our rule, as it has been for lo these many years, we want a fair show in the business. If you are going to reduce things, leave coal, and bring the manufacturers' products down even with coal, and then we will be content.

Mr. BRYAN. You want the two to go together?

Governor MCCORKLE. If you could bring coal up to those manufactured products, we would prefer it.

Mr. BRYAN. These gentlemen who have come to appear before the committee have come to give us information, so that the tariff will be intelligently revised, and will you please mention some of the products of your State which you think could be reduced?

Governor MCCORKLE. I do not recollect any. [Laughter.]

Mr. BRYAN. I hope the stenographer will underscore that answer. Of course you do not ask for anything without a good reason. Is it not mere selfishness on your part which leads you to think that you ought to have this protection?

Governor MCCORKLE. I think not.

Mr. BRYAN. Then give some reason why there should be a tariff on coal?

Governor MCCORKLE. I devoted several minutes to an elucidation of that, and I thought I made a very good speech.

Mr. BRYAN. I think if you can distinguish between a speech and an argument, you did make a good one; but can you give us a reason why there should be a tariff on coal?

Governor MCCORKLE. For the perfectly good reason that if the tariff is taken off, coal will be brought in from foreign countries and it will drive us out, and lessen the price of labor. We want revenue in this country.

Mr. BRYAN. That point is not being discussed.

Governor MCCORKLE. This duty may be slightly above the revenue basis, but I don't think it is, and we do not care about tinkering with it until we are equalized.

. If we produced all the coal in this country we would
y.
IcCORKLE. Certainly not.
. Do you desire that we should produce all the coal which

IcCORKLE. No, sir; I would like to have a price on coal
eople would not be hurt unjustly; and at the same time
who produce it and the people who are working for them
ing.
. Do you know what the relative wages are in this country
otia?
IcCORKLE. I have heard it from very good authority, that
s in Nova Scotia than here, but we hear that disputed. I
d on that question. I can tell you more about the Demo-

. You come to make a speech instead of an argument?
IcCORKLE. There are other gentlemen here, and I hope
them, especially one gentlemen who is directly interested
ty.
. The reason you want a tariff is to help the laboring man,
npensated for the difference in freight rates?
IcCORKLE. You can put it that way.
. And if the tariff on coal were reduced you would not be
te on the seaboard, without a reduction of railroad rates?
IcCORKLE. I think railroad rates on coal in West Virginia
t as low as they can be made.
. You get that information from the railroads?
IcCORKLE. Necessarily.
. The opinion you have in regard to the necessities of the
from the people who enjoy it?
IcCORKLE. Certainly.
. Are you willing to take the opinion of the New England
whether they need a tariff?
IcCORKLE. Some people are more truthful than others.
. You would not claim that your people are more truthful

IcCORKLE. Out of regard for my friend Mr. Reed I would
discuss that question.
. I do not care to lead you into any embarrassment.
LIN. From what point do you anticipate competition in
a reduction?
IcCORKLE. I understand Nova Scotia would be the prin-
ng point, and also England. England would take unfair
us. I am informed that Galveston is the port where most
ed. That comes about this way; that English vessels go
n, and bring back coal as ballast for almost nothing. They
San Francisco also, and all along the lakes. Therefore, I
tion would not be fair to them.
LIN. Is it not a fact that we are largely exporters of coal?
IcCORKLE. I can not answer that question. I expect we
I think we sell to the western part of Canada.
LLIN. That being so, then the present rates work both

IcCORKLE. Yes, sir.
LLIN. Are we not also exporters of coal to Cuba?

McCORKLE. I understand that we are; and I understand
of that is that we are drawing the coal trade from steamers.
ILLIN. English steamers?
McCORKLE. Yes, sir.
ILLIN. If we can successfully export coal in the event that
taken off, is it not possible for us to drive them out of that
ompete with them in Cuba and Canada?
McCORKLE. I do not know.
ILLIN. I do not, either.
McCORKLE. I think that if the duty were taken off they
less chance of bringing coal in. There are a great many
statements made about this matter. The reason we wish
ties to remain on, is that it prevents foreign coal coming in.
ILLIN. It is the opinion of ex-Speaker Grow, of Pennsyl-
we could export coal.
McCORKLE. Yes, sir.
ILLIN. He took that position and gave the facts, which were
erted at the time. I believe that he then advocated free

McCORKLE. Yes, sir. We have taken a great deal of time,
e several gentlemen here, and I would ask that they be
few minutes. I will introduce Mr. Miller, from the New
ict, and I think he can give you some information.

BITUMINOUS COAL.

(Paragraph 132.)

ATEMENT OF HON. E. H. McCULLOUGH, PHILADELPHIA, PA.

RMAN: I presume I have been put forward as the only
n the great State of Pennsylvania. When I reflected that
urns out 80,000,000 tons of coal per annum and employs
I was reminded that she has some interest in this tariff
A reduction in the tariff must make a reduction in the
e miners, and a reduction of 1 cent per ton on the coal
ia produces, means a reduction of $800,000 to the miners.
serious matter. The only question I wish to speak of is
n of the economic value of the Nova Scotia coals. I can
ase in point which happened four years ago, and I think it
entioned. We had a long strike in the Pittsburg district,
ston Gas Light Company, together with other companies,
d to go to Nova Scotia and buy coal. After the strike
question of damages which we were to pay in default on
t came up. They got expert testimony on the subject and
rdict was rendered it was found that the economic value
otia coal was 70 cents per ton below the Pittsburg. We
deal of coal to Cuba to supply the gas companies there.
ny of the Eastern gas companies are using water gas. The
e can make is about $3.75 a ton alongside the wharf in Bos-
Nova Scotia coal can be put in Boston for 75 cents a ton.
ndicate is causing us considerable anxiety and we fear it is
ure our interests. I think if the duty is taken off coal we
out from New England, and the price will be governed by

it will cost us at the mines. The railroads are carrying it
ance of 400 miles for $1.40 per ton. There is no money in
nothing to do with the railroads, but as a miner I do not
y lower point of cost of transportation can be reached. If
nat duty off you will deal a blow to the industry from which
r recover as long as I live.
he gentleman who spoke before me said that the price of the
fected at the seaboard only, but I think that in that he is
verything which affects the market price of our coal in my
s reflected upon the Western States, and in fact all markets.
this reduction will not be made, and I for one emphatically
inst it.

BITUMINOUS COAL.

(Paragraph 432.)

STATEMENT OF W. D. WALBRIDGE, OF NEW YORK.

IRMAN: I have come only to represent the Cumberland coal
he State of Maryland. This region is probably the oldest
f bituminous coal in this country, and yet notwithstanding
has a great many more years of life and activity in it. There
35,000,000 invested in its mining properties. It now employs
10,000 men directly. These men are men of families, and many
n their own homes and are as intelligent and well informed
zens in the United States. The output of this region this
e about 3,500,000 tons, of which amount 2,000,000 will be
water and will find its market in New England. I have a
h I will read:
ie honor to represent the Cumberland coal region of the
laryland—the oldest producer of bituminous coal in this
notwithstanding which fact, however, it has a very great
s of active life yet remaining to it.
s of $35,000,000 are represented in the mines of our region,
s direct employment to more than 10,000 able-bodied men,
nom are the heads of families, and a very large percentage
wn their own homes.
ers are, as a class, well-educated, intelligent and contented
the United States.
out of the region this year will be about 3,500,000 tons, of
it 2,500,000 tons will be sent to tide water, finding its mar-
Northeastern States.
aid that the Cumberland region has a great many years of
before it. This statement is based on the presumption that the
if exigencies demanded it, a higher duty be maintained on
s coal. In the past the 75 cents per ton duty has been suffi-
otect it. But that was not all the protection we had. The
ie numerous coal deposits in Nova Scotia, at the very thresh-
largest and best market, have, in the past, been operated in
y manner, under antiquated methods and primitive appli-
probably been as great if not a greater source of protection
he comparatively small 25 per cent duty in force the past 20

ough the aid of American capital, genius, and enterprise the

Dominion has awakened from her stupor, and to-day the bituminous coal industry of the United States, an industry second to none in magnitude, is confronted with a danger as great if not greater than would have been had the duty been removed in years gone by. What, then, will be our condition if both these barriers are removed. Our condition will be truly deplorable. We will be *in extremis* indeed.

If you remove the duty on coal it means a paralysis of our business until, through a reduction in labor, competition can be restored.

Nova Scotia coal can be placed on board ocean bottoms at the mine's mouth. Our coal must be transported from 200 to 300 miles to accomplish the same result.

Nova Scotia coal is to-day offered in Boston at lower prices than we can meet.

Is not then the American investor in and operator of British coal mines sufficiently well protected? And may not the operators of American coal mines look with confidence to an American Congress for that protection which they so peculiarly need by reason of their disadvantageous geographical position? We believe that you will realize that no other American industry is so seriously threatened by foreign competition as is the bituminous coal and that you will permit us to suffer the ills we have and not force us to experience the evils we so sorely dread.

Mr. WALBRIDGE. Our miners are not paid too much, but they are doing well. The transportation companies can not be asked to carry coal for much less than 3 mills per ton per mile. The investors in many American mines can not be asked for a less return, because a great many of them are making nothing at all now.

The new syndicate will mine coal with the most approved mining methods, and will put the coal on vessels and run it down to Boston. They have arranged for a large number of coal barges which will be towed by steamers. They can carry from 10,000 to 12,000 tons each. This is reducing the cost of the water transportation to a minimum.

Mr. REED. The question of labor involved is not mining labor alone, but it is the labor of transportation as well?

Mr. WALBRIDGE. Protection protects not only labor but the owner of the property, as well as the transporter.

Mr. REED. Then on general principles you must know that for such necessities of life as this, applied in all the different phases, the American producer is entitled to the American market?

Mr. WALBRIDGE. I can not agree to the idea that the British producer is entitled to the American market?

Mr. REED. Then you agree to my proposition?

Mr. WALBRIDGE. I do, undoubtedly. I believe the American market belongs to the American people.

Mr. REED. It is not altogether the apprehension in regard to the mining laborer?

Mr. WALBRIDGE. Yes, sir; it is. I do not believe that we can pay the money that we are now paying them if we have to get a less price for this material. A portion of the reduction will necessarily have to come out of the price of labor.

Mr. REED. You would be deprived of so much of the American market, and on account of this loss the less coal you would mine the less you would pay the miner you employed?

Mr. WALBRIDGE. No; we pay the miners by the ton. Nobody can expect us to mine coal at a loss. That loss must be distributed among the miner, the owner, and the transporter. Any such reduction would necessarily have to be divided up among those three.

. Your royalty is only about 15 cents.
BRIDGE. Yes, sir.
. The major amount will come out of the larger sum, which

BRIDGE. The largest item of expense in producing coal e transportation?
. That is labor, mostly.
BRIDGE. That is labor, but I had reference to labor in the

. It must come out of the miners' labor and wages, and out portation companies' labor?
BRIDGE. Most undoubtedly.
. So that any reduction would reflect itself in their wages?
BRIDGE. Yes, sir; it would reflect itself unquestionably in n of their wages.
KINRIDGE. You sell largely to New England, do you?
BRIDGE. Yes, sir; our sales amount to nearly $300,000.
KINRIDGE. Over what roads do you ship?
BRIDGE. Over the Baltimore and Ohio and the Pennsyl-

KINRIDGE. What is your port of shipping?
BRIDGE. The principal ports of shipment are Baltimore and t, and some from South Amboy, which latter is local.
KINRIDGE. To what places do you ship principally?
BRIDGE. To Providence, Fall River, Boston, Portsmouth, nd some of the smaller ports in Maine.
KINRIDGE. You generally sell at so much per ton delivered?
BRIDGE. No, sir; we refuse to gamble on rates; we sell at Philadelphia, for instance.
KINRIDGE. You deliver it to the port to which it goes?
BRIDGE. We deliver it at the water. We do not deliver it lestination.
KINRIDGE. Do you know what it costs to deliver coal at ?
BRIDGE. Three dollars and twenty-five cents based on stwise rates.
KINRIDGE. What is the price delivered in Baltimore?
BRIDGE. Two dollars and fifty cents.
KINRIDGE. You sell at the same price to the dealer in New to the dealer in Philadelphia and Baltimore?
BRIDGE. Yes, sir; it is the practice in our region to put it price, and the New England purchaser takes the risk of ome contracts, you understand, extend over six months. se rates conflict and we can not gamble on those rates, there- chaser gets the coal, pays for it, and takes the risk.
KINRIDGE. You charge the same price for the coal regard- narket to which it goes?
BRIDGE. We do not charge a different price when it comes shington, for instance.
KINRIDGE. It is the same price less the cost of transporta-

BRIDGE. Yes, sir.
KINRIDGE. Is that true in all cases?
BRIDGE. That is true with a very few exceptions. Some- et competition. Somebody is after you and if you can not e it is 5 cents off, but the price at the mines is the same.

Mr. BRECKINRIDGE. Regardless of the point of the ultimate destination?

Mr. WALBRIDGE. Yes, sir.

Mr. REED. Can you give us the net price at the mines?

Mr. WALBRIDGE. On the average for this year we would be glad if we could get 90 cents a ton net on board of the cars.

Mr. REED. Do you consider the royalty in that?

Mr. WALBRIDGE. That is getting the coal and the material at the mines and outside labor, the interest charges and anything else that comes into it—my own salary, for instance.

Mr. REED. You figure everything at 90 cents: which pays you?

Mr. WALBRIDGE. It does not cost that. It costs 75 to 80 cents, and the balance is what we get for the coal. The Nova Scotia Government leases the coal lands for $30 per square mile. The lesses have to pay 12½ cents per ton on the output. It does not make any difference whether they sell it or not. They do not pay for it until it is mined.

Mr. REED. You are compelled to buy the coal lands and get all out of them you can?

Mr. WALBRIDGE. Yes, sir; every ton of coal we take out is so much out of the capital. When all the coal is gone, "Good morning;" you are gone.

Mr. REED. These gentlemen will not have to struggle against that at all?

Mr. WALBRIDGE. Not in the slightest degree. They have ninety-nine years lease of the mines. If you rent a house and the man says that he will pay for all the repairs, it does not cost you anything if you knock the plastering down.

Mr. BRECKINRIDGE. You own your mines?

Mr. WALBRIDGE. The company I represent does.

Mr. BRECKINRIDGE. You do not pay any royalty?

Mr. WALBRIDGE. No, sir.

Mr. REED. You are under the control of your lessors?

Mr. WALBRIDGE. No, sir.

Mr. REED. Are not some of your mines leased? I do not mean yours personally.

Mr. WALBRIDGE. No, sir; I do not know of a mine in Maryland that is leased. There may be some, but I do not know of any.

Mr. BRECKINRIDGE. You say that the coal cost now about $3.25 at Providence, and that the 90 cents a ton represents what you get for it at the mines?

Mr. WALBRIDGE. Yes, sir.

Mr. BRECKINRIDGE. That represents transportation from the mines to the point of shipment?

Mr. WALBRIDGE. Transportation from the mines to Philadelphia or Baltimore is $1.40. There is a slight charge for expenses which makes it $1.45 to $1.50.

Mr. BRECKINRIDGE. The transportation to Providence is how much?

Mr. WALBRIDGE. It is 70 cents now.

Mr. BRECKINRIDGE. Then the price is $3.25 on the vessel at Providence or delivered on the wharf.

Mr. WALBRIDGE. That is the price delivered alongside at Providence. Of course, you understand that in selling we have to charge for selling. The business is done by a salaried man or an agent. We figure it at about 10 cents per ton.

Mr. BRECKINRIDGE. Usually it is delivered to dealers at $3.25 alongside?

Mr. WALBRIDGE. We do not deliver it alongside. We deliver it to *the dealer f. o. b. at Philadelphia.*

BITUMINOUS COAL.

(Paragraph 432.)

P. ABBOTT, REPRESENTING THE MINERS OF THE CUMBERLAND VALLEY.

I have been appointed chairman of a delegation of
een sent up here to state the facts of the case, as we
ıd believe them in our region. We believe that a
ice of coal would affect us as workingmen. I would
nble which has been drawn up by the miners for your

read the following preamble:

e Senate and House of Representatives of the Congress
tes:

l citizens of Allegany County, State of Maryland,
ent to your honorable bodies that we are directly
rs in the production of semibituminous coal from the
al region of this county, and that we have been
iners and laborers of our respective mines to lay
tee on Ways and Means this petition for them and
press by our presence, as their representatives, the
our families that would result from a reduction of
ı foreign coal.
ıt that the employers of labor in the Georges Creek
erally for mining and labor connected with its pro-
ve sincerely believe that whatever benefit is derived
duty on foreign coal is divided liberally with the
ces it.
spectfully represent that we believe the present low
reek coal in the eastern markets is so low that com-
a Scotia coal admitted at a lower rate of customs
sts will drive our coal out of market, or to maintain
e at a reduction of the wages of all labor connected
ı.
spectfully urge your honorable bodies to leave undis-
tariff duty of 75 cents per ton on foreign coal, and
etc.

CHAS. RUPERT.
WILLIAM BYERS.
J. A. CUNNINGHAM.
P. BARRY.
(And others.)

many laborers do you represent?
bout 3,000.
many do you represent indirectly?
could not exactly say.
e you represent labor at the mines?
es, sir.

BITUMINOUS COAL.

(Paragraph 432.)

STATEMENT OF M. ERSKINE MILLER, OF STAUNTON, VA.

IAIRMAN: I am not in the habit of speaking before such an ssemblage as this, but the matter on which I appear is busi- I wish to speak only as a business man. I appear to speak of the New River coal miners on the Chesapeake and Ohio .

itput from those mines is 1,800,000 tons. It is chiefly semi- oal. They make some coke on the line of the road. Some- r a million tons of this coal goes to tide water and becomes rcial commodity in the New England market. This has been for fifteen years, and the competition which we have had to with the present duty of 75 cents a ton has been very severe, kept the margin of profit down so close that it has been quite le. Only within the last thirty days we found it necessary to ur selling price. Coal for the last five or six years has been ide water delivered at $1.25 a ton, for semicannel. This coal ly gone to New England.

ice paid to the Chesapeake and Ohio Railroad for hauling this stance of 400 miles is only $1.30 per ton. The delivery price ort News is $2.30. The average distance is 400 miles; some s are more, some less.

RECKINRIDGE. Does not that include the return haul?

ILLER. That is the direct haul from the mines to Newport nich is 400 miles. This recent reduction which we had to make price 87 cents per ton, and in order to meet that and to enable agencies to handle coal we had to reduce the price to the miner ts per ton for mining coal, and that left 37½ cents to the dis- for expenses of drivers, track layers, and all extra work in the d all the outside work. After all that has been paid there is ight margin of profit.

RYAN. You speak of some cannel coal?

ILLER. Yes; that is a very superior coal: it can be used for a f purposes. We do not care for protection for local consump-

RYAN. Do you sell it at the seaboard cheaper than you do at

ILLER. The retail price is always the same.

RYAN. What is your retail price?

ILLER. It runs from $1.25 to $1.50 per ton, depending upon umer. A man who buys it to burn in his house pays $1.25 to That output represents a great bulk. I suppose it is 90 per not more, of the whole business of the road. This is a great ing factor in the business. If you take the net price, after oyalty you would get only 37½ cents a ton for all expenses. As of our business goes to tide water, if this duty is removed it lt in shutting up a great many of the mines.

MILLIN. What steamships do you supply?

ILLER. We do not supply any local business.

MILLIN. What do you supply?

ILLER. Collieries do business through agencies. Coal is *o agencies.*

LIN. The agents handle all the coal that goes into use?
R. Yes, sir; this is a question that does not concern the
ectly. The Old Dominion Steamship Company do their
wport News as do some steamers from Boston.
LIN. Do any of those plying in the foreign trade get their

R. I can not answer that; I presume some of them do.
LIN. You don't know to what extent?
R. No, sir; this coal field in which we are operating is
Bituminous coal fields cover half a dozen or more coun-
Virginia. They are of great value and this is the only
hey began to grow. The protection which we enjoy keeps
eople from fixing the prices upon our coal.
LIN. It does not fix the price, however, to the consumer?
R. The price has gone down 10 per cent on account of
etween ourselves. There are three or four mines which
0,000 or 4,000,000 tons of this coal, and what is not con-
ped abroad. From the Pocahontas district everything is
me to tide water.
S. You say that you ship to agents?
R. The Norfolk and Western has its selling agents and
ke and Ohio have theirs. It represents a great deal of
re are 5,000 or 6,000 miners employed. There are 20,000
ple depending upon this work. Thas has a future.
LIN. What is the thickness of your vein?
R. It is from 3 to 6 feet.
LIN. There are from 5,000 to 10,000 tons of coal to the

R. It would run from 3,000 to 6,000 tons to the acre. A
to the acre is the estimate for each foot of thickness.
prosperity of this business depends upon its being pro-
his ruinous competition. The best evidence that we are
xorbitant prices for coal is the fact that it is being sold
over $3 a ton.
I. Your market is at tide water, and you would suffer if
ake off this duty?
R. Yes, sir. This represents over 1,000,000 acres of coal
s being gradually developed. If you take this duty off it
ally wipe West Virginia off the map.
I. Do you represent the miner or the railroad?
R. I represent the miner. I am the operator in the coal
me cases we lease; in some cases we own. We have a
rest with the miner. We can not prosper unless our men

I. How much land do you own?
R. I am operating with a corporation. In each instance
at deal of land.
I. About how many acres?
R. About 2,500 acres of land. I am interested largely in
We have brought a great deal of capital there. Mr.
tuents have made investments there. If this duty is taken
ot continue development. It would paralyze the whole

LIN. What is that land worth per acre?
R. It is worth from $300 to $500 per acre.

E. You would not lose that trade?
t is a small proportion of the trade, but every little

es not your colliery send coal to Cuba?
have never sent any coal direct to Cuba.
ur coal finds a market there?
i not answer that, but I think it is likely that some
to Cuba.
it not a fact that Nova Scotia can not compete with
our coal is a superior gas-making coal.
coal is a superior coal.
it not much better to pay a reasonable price for good
t furnaces and boilers by using inferior coal?
general principles I believe it is. Our coal is the
ie world. Under present conditions we have no
ig for the business, but if you take off the 75 cents
just shown you that we will lose the coastwise trade
tage of $1.30 per ton. If you do that, you open the
It would pay these people to import the other
reason of the difference in price. If the conditions
ould meet their competition, because our coal is of

es not some of your coal go to Arizona and old

, sir; it goes to old Mexico in limited quantities.
is used there in smelters.
sir. We have there to meet in competition with
Galveston; it goes inland to Arizona and New Mex-
compete with these people by reason of the fact
oisture. It does not handle well, but breaks and
l.
E. The removal of this duty would not be injurious
nt of view?
sir; but from my knowledge of the situation I do
xpect any improvement. Mr. Breckinridge's native
s largely underlaid with coal. The coals along the
equaled. That has come within my knowledge,
l there. Our people on New River are off slack-
the Kanawha, and the railroad has to run parallel
s of miles.
s it a fact that the coals of Kentucky have been
and used?
e cannel coals have been used. The coals of Ken-
character of coal entirely.
s is used much as a coking coal.
not such a valuable coal for steamers; it makes

ou screen your coal?
sir. On the Kanawha they screen it.
ere any statute law in your State on the subject of

ink there is.
aw does not allow you to screen until after measur-

ve not looked into that, because that does not apply
screens for certain sizes in paying for the mining.

[ANUFACTURED CORKS.

(Paragraph 424.)

S PAID IN THE UNITED STATES AND EUROPE SSAGE OF THE PRESENT TARIFF ACT AND THE HE PRESENT TIME.

Wages in the United States.

(Work 55 hours per week.)

	Pittsburg, 1893.	1890.	New York, 1893.
.....	$20.00	$13.00	$21.00
.....	12.00	8.70	11.13
.....	6.00	4.04	4.70
.....	9.00	7.50	9.00
.....	6.60	5.20	6.60

)peratives in Lancaster, Pa., are to-day at from 6 than they were prior to 1890; skilled operatives at higher wages.

WAGES IN EUROPE.

(Work 72 hours per week.)

tives—slicers, etc.—receive $2.40 per week; other d sorters—from 60 cents to $1.20 per week; cork- 10 to $3.60 per week.
he operatives receive upon an average 25 per cent n Gibraltar.
girls receive $1.50 per week, and women $3 per

den, and in several places in Russia, punchers 60 per week; tapers, from $1 to $1.50 per week.
aid in this country prior to 1890 was $4.04 per t time these operatives receive from $4.70 to $6 work; while in Gibraltar they receive from 60 k of 72 hours.
operatives receive from 75 cents to $1.50 per week

sia, $1.50 per week of 72 hours.
ry in the manufacture of corks in this country is Europe; in fact, cork-cutting machines are sent

rks have the advantage over the manufacturers paying only for the actual weight of the corks ile the manufacturers who import cork wood lose ig corks two-thirds in weight; hence pay triple

of duty on corks and cork cut into squares is ed itself entirely just and satisfactory to the trade.

Mr. BRECKINRIDGE. You would not lose that trade?

Mr. MILLER. That is a small proportion of the trade, but every little helps.

Mr. COCKRAN. Does not your colliery send coal to Cuba?

Mr. MILLER. We have never sent any coal direct to Cuba.

Mr. COCKRAN. Your coal finds a market there?

Mr. MILLER. I can not answer that, but I think it is likely that some of our coal has gone to Cuba.

Mr. COCKRAN. Is it not a fact that Nova Scotia can not compete with you there, because your coal is a superior gas-making coal.

Mr. MILLER. Our coal is a superior coal.

Mr. COCKRAN. Is it not much better to pay a reasonable price for good coal than to burn out furnaces and boilers by using inferior coal?

Mr. MILLER. On general principles I believe it is. Our coal is the best steam coal in the world. Under present conditions we have no difficulty in competing for the business, but if you take off the 75 cents per ton duty I have just shown you that we will lose the coastwise trade and be at a disadvantage of $1.30 per ton. If you do that, you open the door to competition. It would pay these people to import the other coal against ours by reason of the difference in price. If the conditions were the same, we could meet their competition, because our coal is of superior quality.

Mr. COCKRAN. Does not some of your coal go to Arizona and old Mexico?

Mr. MILLER. Yes, sir; it goes to old Mexico in limited quantities.

Mr. COCKRAN. It is used there in smelters.

Mr. MILLER. Yes, sir. We have there to meet in competition with coke that is sent to Galveston; it goes inland to Arizona and New Mexico. We are able to compete with these people by reason of the fact that coke absorbs moisture. It does not handle well, but breaks and becomes deteriorated.

Mr. BRECKINRIDGE. The removal of this duty would not be injurious to you from that point of view?

Mr. MILLER. No, sir; but from my knowledge of the situation I do not see how we can expect any improvement. Mr. Breckinridge's native State of Kentucky is largely underlaid with coal. The coals along the Ohio River are unequaled. That has come within my knowledge, because I was raised there. Our people on New River are off slack-water navigation of the Kanawha, and the railroad has to run parallel to the river hundreds of miles.

Mr. MCMILLIN. Is it a fact that the coals of Kentucky have been shipped to England and used?

Mr. MILLER. Some cannel coals have been used. The coals of Kentucky are a different character of coal entirely.

Mr. MCMILLIN. It is used much as a coking coal.

Mr. MILLER. It is not such a valuable coal for steamers; it makes more ashes.

Mr. BRYAN. Do you screen your coal?

Mr. MILLER. No, sir. On the Kanawha they screen it.

Mr. BRYAN. Is there any statute law in your State on the subject of screens?

Mr. MILLER. I think there is.

Mr. BRYAN. The law does not allow you to screen until after measuring the mines?

Mr. MILLER. I have not looked into that, because that does not apply to us. They require screens for certain sizes in paying for the mining.

CORKS.

(Paragraph 434.)

ɛTAIN IMPORTERS OF CORKS, CARRYING
' THE CITY OF NEW YORK.

presented against the enactment of the
: equally potential touching its repeal, I
tion of the committee to the following
ıw on file in the archives of the House of
locuments originally filed but now lost or

·Busch Brewing Company, of St. Louis,
y on hops, rice, corks, etc. Filed March
it 1."
ıter dealers of Saratoga Springs, N.
:rease of the present duty on corks (A.
inasmuch as no protection is afforded
sed tariff bill (the McKinley bill) as to
waters, that corks should be placed on
890, and marked "Exhibit 2."
· to the one heretofore presented to the
d signed "the importers of corks in the
nest protest against the passage of the
l marked "Exhibit 3."
ly well-reasoned remonstrance against the
, filed with the Committee of Ways and
er consideration, the original being now
Exhibit 4."
the existing tariff has practically pro-
that are used by the poorer classes of
from being imported, or if imported, the
ɔelled to sell at or in some instances below
ı of easy proof, if opportunity be afforded.
ınd would be an ample protection to the
rers, and yet the destructivé rate of 15
t duty. Seven cents per pound would be
ɛr cent ad valorem—certainly a sufficient
nation that gets its cork bark free.
ry does such an excessive and onerous
universal use—an article indispensable to
of every household. In England they are
cents per pound; in Italy, $1\frac{1}{8}$; Germany,
y taxes corks $1\frac{1}{8}$ cents per pound.
ɛ manufacturers has had for twenty years
of all corks used by druggists, and now
onopoly of all cheap soda-water, beer, and

proof that the manufacturers of corks in
ample of some other industries, are form-
ıt trust, and if present unreasonable and
the imported article continue unrepealed,
ɛ at the mercy of the manufacturers' trust,
from the market.

ed committee believe with me
t trusts are injurious and dan-
the request that the exhibits
onsideration of the committee.
ROBERT CHRISTY,
Attorney for cork importers.

nley bill" (H. R. 9416, Fifty-first
r of the lower House of Congress,

t of duties imposed under any schedule
. In all the other thirteen schedules of
mportant article the people use, except
ny years, increases are made, and in many

ance Committee of the Senate, in
following strong language:

o the home life of the farmer, the mechanic,
have been retained, and in many most vital
The mask is at last clear off. We are no
l words in behalf of protection, as an inci-
o listen to the siren's pathetic song in the nur-
s, whose crying woes and puerile attempts to
have excited so much sympathy and subsi-
become full-grown, robust highwaymen, no
kness, but demanding the legalized privilege
d, loot, and plunder every precinct of honest
. Rec., Vol. 21, pt. 8, pp. 7531, 7532.)

d thoroughly consistent with the senti-
eloquent Senator, I beg leave to cite
leep in your straw and he'll make him-

e committee to the discussion in the
ut of the amendments reported by the
te to the McKinley bill as it passed the
ing duties upon manufactured and par-
quote from the Congressional Record,

tee on Finance was, on page 101, line 24, after
" and insert "five," so as to read:
cubes, five cents per pound.
atisfied, after further investigation, that this
ask that it be disagreed to, and that the House

ar the reason why the committee think the
e House certainly has largely increased the
terial used in the manufacture of corks in this
o, neither upon the ground of raising revenue
seems to me, is there any justification for the

amination by the committee they became sat-
existing law; that the House rates were less
average corks which are imported; and they
y be retained.
ve the ad valorem rate as it is, at 25 per cent,
ufactured and the manufactured corks?

Mr. ALDRICH
the committee
The PRESIDI
posed by the c
The amendm
The next am
102, line 1, aft
one-half," so a
Manufacture
The PRESIDI
the Committee
Mr. CARLISI
the result will
The amendn

I have ma
amendment
after the fu
conclusive
through the
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i the Senator understands, that the majority of
of levying specific rates when it can be done.
he question is on agreeing to the amendment pro-

nittee on Finance to paragraph 411 was, on page
to strike out "fifteen" and insert "seven and

ne-half cents per pound.
The question is on the amendment proposed by

; necessary to ask for a yea-and-nay vote, because

tract because I know personally that the
the Committee on Finance of the Senate
the subject, having been furnished with
f (not now recoverable after diligent search
two Houses of Congress), that the specific
se bill upon manufactured and partially
ely in excess of the theretofore existing ad
most respectfully submit that the present
l and partly manufactured, were the result
the part of the zealous high-tariff Senator
d be repealed.
submit to this honorable committee, that
g require that, corks, manufactured and
ld either be admitted free or that present
at least an uniform rate of 5 cents per

ROBERT CHRISTY,
r importers of corks of New York City.

CORKS.

(Paragraph 434.)

NEW YORK, *September 30, 1893.*

ıse in the United States engaged in the
e of corks and cork wood, we beg leave to
t of the tariff.
principal conditions should be especially
f duty, viz:
ıe Government.
ımer.
ves.
e points in the order named.
l by the Government from the present spe-
, 15 cents per pound—has shown a steady
ts establishment in 1890, and is greater in
390 than in any year preceding. The duty
est on record. This is plainly shown by
l by the U. S. Bureau of Statistics:

Seventh. Assuming that this enlightened committee believe with me that the consumer pays the duty and that trusts are injurious and dangerous to society, I will conclude with the request that the exhibits herewith filed may receive the careful consideration of the committee.

ROBERT CHRISTY,
Attorney for cork importers.

In referring to the so-called "McKinley bill" (H. R. 9416, Fifty-first Congress), Mr. Carlisle, then a member of the lower House of Congress, used the following language:

No reduction has been made in the amount of duties imposed under any schedule except that relating to sugar and molasses. In all the other thirteen schedules of dutiable goods, embracing almost every important article the people use, except tea and coffee, which have been free for many years, increases are made, and in many of them the increase is very large.

The present chairman of the Finance Committee of the Senate, in his discussion of the bill, used the following strong language:

On every article absolutely necessary to the home life of the farmer, the mechanic, and the day laborer, existing tariff taxes have been retained, and in many most vital instances enormously increased. * * * The mask is at last clear off. We are no more to be deluded with soft and skillful words in behalf of protection, as an incident to revenue, nor are we any longer to listen to the siren's pathetic song in the nursery of infant industries. These infants, whose crying woes and puerile attempts to walk alone for the last hundred years have excited so much sympathy and subsidized so much eloquence, have now become full-grown, robust highwaymen, no longer asking protection for their weakness, but demanding the legalized privilege as a right and without disguise, to raid, loot, and plunder every precinct of honest industry in the United States. (Cong. Rec., Vol. 21, pt. 8, pp. 7531, 7532.)

As an appropriate maxim, and thoroughly consistent with the sentiments so well expressed by the eloquent Senator, I beg leave to cite the following: "Let a beggar sleep in your straw and he'll make himself your heir."

I now beg the attention of the committee to the discussion in the Senate attending the striking out of the amendments reported by the Finance Committee of the Senate to the McKinley bill as it passed the House of Representatives, touching duties upon manufactured and partially manufactured corks. I quote from the Congressional Record, Vol. 21, part 10, pp. 9668, 9669:

The next amendment of the Committee on Finance was, on page 101, line 24, after the word "cubes," to strike out "ten" and insert "five," so as to read:

411. Cork bark, cut into squares or cubes, five cents per pound.

Mr. ALDRICH. The committee are satisfied, after further investigation, that this amendment should not be made, and I ask that it be disagreed to, and that the House rate may stand.

Mr. CARLISLE. I should like to hear the reason why the committee think the amendment should not be made. The House certainly has largely increased the duties upon cork bark, which is a material used in the manufacture of corks in this country, and is not produced here. So, neither upon the ground of raising revenue nor upon the ground of protection, it seems to me, is there any justification for the increase of duty.

Mr. ALDRICH. After very careful examination by the committee they became satisfied that the House rates decreased existing law; that the House rates were less than 25 per cent ad valorem upon the average corks which are imported; and they therefore ask that the House rates may be retained.

Mr. MCPHERSON. Then why not leave the ad valorem rate as it is, at 25 per cent, and that would cover both the unmanufactured and the manufactured corks?

CORKS.

(Paragraph 434.)

NEW YORK, *September 28, 1893.*

ıs for asking the present specific duty to be main-
vs:
the enactment of the McKinley bill corks or cork
d came in under an ad valorem duty of 25 per cent.
r articles the ad valorem duty is preferable, it is not
ks, even for an expert, are exceedingly difficult to
ıs found practically impossible to collect the right
outside the port of New York. Many importers,
had goods sent in bond to interior cities. They were
ervaluation of 30 per cent to 70 per cent, owing to
dge of foreign values, and houses who desired to do
were obliged to discontinue importing.
xcept the Spanish houses advocated for years the
ific duty, and when it was granted under the McKin-
ıs made as near as was practicable an equivalent of

ɔetrated and the necessity for a change is clearly
letter from Col. Ayer, special agent of the Treasury
e Secretary of the Treasury, under date of January
f which we attach hereto; also by a letter from
ler, Acting Secretary of the Treasury, to the chair-
and Means Committee, under date of January 10,
h we also attach.
ıtated by the Spanish importers that the rate of 15
now existing would prohibit the importation of for-
ference to the table of importations as furnished by
tistics it has shown that the importations have not
ibitive, but have actually increased.
ɔcted on importations, as shown by records in the
cs, are as follows:

Corks manufactured.

Duties collected.	June 30—	Duties collected.
..... $52,382.90	1891	$98,780.93
..... 66,335.49	1892	100,288.45
..... 61,797.74	1893	105,455.79
..... 85,933.47		

ɔars, 1891, 1892, 1893, having been under the specific
ly refutes the assertion that the specific duty would
ɔeriously diminish the importation of foreign corks.
rther urged by the friends of the former ad valorem
ɔcific duty would increase the price to consumers.
t the result has been precisely the reverse, and the
ɔo buy both foreign and domestic corks to-day at a
ıder the ad valorem duty.
this are twofold: Firstly, because the specific duty,
e duty on poor goods, which are seldom imported to
s decreased the duty on fine goods, which the con-
ɔorks in this country mostly requires. Secondly,

Duties received.

Under ad valorem duties—	
1887	$52,382.90
1888	66,335.49
1889	61,797.74
1890	85,933.47
Under specific duty—	
1891	98,780.93
1892	100,283.45
1893	105,455.79

It may also be said that this duty, being specific, enables the Government to collect all its due, and also prevents undervaluations, which drove many respectable houses out of the business in the past.

Second. The price of the goods to the consumer has steadily decreased in the last three years. This is partly owing to improvements in machinery and general economics, but it is especially due to the very keen competition now existing among American manufacturers themselves and also with the Spanish importers. We are to-day selling corks at an average of 20 per cent less than three years ago, which prices are the lowest ever recorded in America.

Third. The wages paid by the manufacturers throughout the country have steadily increased in the last few years. We subjoin a table showing the average weekly wages of our own operatives, as follows:

	1890.	1893.		1890.	1893.
Foreman	$18.00	$21.00	Taperers	$4.04	$4.70
Slicers	10.40	11.13	Sorters	4.21	4.63
Blockers	8.70	9.30	Porters	7.50	9.00

This table shows that we are paying materially higher wages now than we did under the old ad valorem duty.

We have now shown the conditions under the present specific duty to be—

(1) That the duties paid to the Government are continually increasing.

(2) That corks are selling lower that ever before.

(3) That wages paid are higher than before the present specific duty.

We therefore think that, according to true Democratic principles, we are justified in asking that the present specific duty remain unchanged.

We might also add that cork wood, our raw material, is free, and with reason, as it is not grown at all in this country.

The cork industry of this country is in the hands of a large number of independent manufacturers and importers, and the prices they obtain for their goods are so low that a decrease of duties, particularly if on an ad valorem basis, would result in the ruin of many, if not all, of these concerns. At least, the factories now operating in America would have to be transferred to Spain.

Yours, respectfully,

TRUSLOW & Co.

:S.

434.)

NEW YORK, *September 28, 1893.*

›resent specific duty to be main-

the McKinley bill corks or cork
ı ad valorem duty of 25 per cent.
lorem duty is preferable, it is not
:pert, are exceedingly difficult to
ly impossible to collect the right
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›ond to interior cities. They were
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ittee, under date of January 10,
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d prohibit the importation of for-
ɜ of importations as furnished by
ı that the importations have not
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friends of the former ad valorem
ncrease the price to consumers.
ɜen precisely the reverse, and the
ı and domestic corks to-day at a
ı duty.
'irstly, because the specific duty,
ds, which are seldom imported to
ty on fine goods, which the con-
ıtry mostly requires. Secondly,

domestic corks are cheaper, owing to the very severe competition among the manufacturers. This decrease in price can at once be proved by reference to the books of any of the manufacturers or of their customers.

In addition to the three reasons for maintaining the specific duty given above, we would like to refute some erroneous statements which we learn have been made to the Ways and Means Committee by the Spanish importers.

They claim, firstly, "that labor has not received its share under the McKinley act, but that wages have been reduced from 10 to 20 per cent."

We reply to this that we have carefully examined the pay roll of two firms, Armstrong Brothers & Co., of Pittsburg, Pa., the largest manufacturers in this country, and Truslow & Co., of Brooklyn, N. Y., the largest in this State, and have compared the present average earnings of their operatives with the average earnings previous to 1890. In both cases we find a decided increase. This has also been confirmed by letters from other firms to whom we have written on the subject. In many instances the increase is over 15 per cent.

They claim, secondly, "that the greater part of the corks manufactured in this country are produced by machinery, and that women and children are employed to attend that machinery."

In answer to this we admit that corks are chiefly made by machinery, but not in America alone, the same applies equally to all European countries, with the possible exception of the one Spanish province of Catalonia. We can further state that American machinery is being used more largely every year for the manufacture of corks in Europe, even in Spain itself. As to the argument of the Spanish importers, that women and children are principally engaged in the manufacture of corks in this country, we can positively assert that such is not the case in the United States, while it is quite true of Europe. Women are employed here, but only in a small part of the manufacture. The wages of women employed in Europe are about one-fifth of what is paid in the United States, England excepted.

In Spain, Germany, and Russia, the average pay for women and girls is about 75 cents to $1.50 per week. In England $1.50 to $3. The average wages paid to women and girls here now is about $4.50 to $6.

As to men and boys they earn on an average in Europe about one-third what they earn in the United States.

The importers have stated, thirdly, "that a trust has been formed since the McKinley act."

We consider this to be malicious in the extreme, as there is no truth in the statement. A positive evidence of there being no "trust" is the unhappy fact that there exists the most severe competition between the different manufacturers, and that corks are sold so low that the business is very unremunerative.

In concluding our remarks, we would state generally that we find the present specific duty of 15 cents per pound to be equitable and just to both importers and manufacturers. That a change to an ad valorem duty would bring about the dreadful state of affairs existing prior to 1890, and that a reduction of duty would make the manufacturing business so unprofitable that it would drive a large percentage of the manufacturing from the United States to Europe.

Respectfully, yours,

GUDEWILL & BUCKNALL.

CORKS.

(Paragraph 434.)

[REASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, D. C., January 10, 1890.

ıy of a report dated the 7th instant, and
l agent Ira Ayer, of this Department, in
ın of corks, and suggesting the substitu-
t ad valorem rates thereon.

GEO. E. BATCHELLER,
Acting Secretary.

Y, JR.,
ı *Ways and Means.*

AGENT, TREASURY DEPARTMENT,
Street, New York City, January 7, 1890.

ıy duties as agent at this port it became
ar to look into the invoice value of corks
at several of the interior ports under
ınd, notably at Chicago, Milwaukee, St.
ɔrks were being largely undervalued, par-
; Milwaukee, Chicago, and New Orleans,
to secure advances on these importations,
ɔortation at New Orleans was advanced
ne, from 25 to nearly 100 per cent on some
ırgely sustained on reappraisement.
ly understood that the practice existed on
:s in the vicinity of Barcelona, Spain, of
ces, one for custom purposes and one for
in prices being 25 per cent or thereabout.
l by certain importers, and frequent ad-

correct values has grown out of the fact
are competent to pass upon these goods.
te in having some importers and manufac-
and who rendered valuable assistance to
ion. In view of the difficulties mentioned,
ɔ mode of collecting duties on corks other
ım basis was desirable, and after much
hedule showing the comparative work-
ad valorem duty and a proposed specific
ıs prepared (Exhibit A inclosed). By an
will be seen that the corks which are prin-
ıvided into six classes, and that with the
ıe duty of 20 cents per pound, as proposed,
ɔ as the present ad valorem rate on a just

rks it is stated that an increased rate is necessary in
properly domestic manufactures.
rience here in the matter of undervaluations I fully
ws held by these gentlemen as to the desirability of a
an an ad valorem rate of duty upon corks, and beg in
nd the subject to the careful attention of the Depart-

that parties interested have a hearing before the Com-
and Means of the House on Friday, the 10th instant,
ient will determine as to the propriety of furnishing
ith a copy of this report.
at cork squares or blocks are imported to some extent,
n great part manufactured they should, in my opinion,
y as corks.
here may be no misapprehension as to the purport and
going, I submit below substitutes for the present pro-
ertaining to cork importations, which it is believed
he case:

ark, manufactured, including cork squares, twenty cents per

, act March 3, 1883, to remain as it now is, viz:

bark, unmanufactured, free.

ubmitted.

IRA AYER, JR.,
Special Agent.

WINDOM,
y of the Treasury.

CORKS.

(Paragraph 434.)

NEW YORK, *September 29, 1893.*

; to our letter of yesterday's date, and more especially
h relating to the statement of the importers that a
formed, it appears to us possible that the only thing
e color to such a statement might be that a firm in
d another in Lancaster, finding business very unprofit-
machinery and stock to Armstrong Brother & Co., of
etired entirely from the business. Surely, however,
onstrued to be a trust; and to prove positively that
e give below the names of twenty factories who are
rs of Armstrongs and of one another.
the manufacturers are as follows: Truslow & Co.,
New York Cork Works, Brooklyn, N. Y.; Conkling
n, N. Y.; Paddock Manufacturing Company, Brook-
rew Morton, New York, N. Y.; John Wilking, New
pany Cork Works, Albany, N. Y.; R. W. McCready &
; Excelsior Cork Cutting Company, Chicago, Ill.; Chi-
ks, Chicago, Ill.; Banar & Wieland, Pittsburg, Pa.;
Philadelphia, Pa.; Samuel Wilkie, Philadelphia, Pa;

nann, Philadelphia, Pa.; J. F. Hodge, Boston, Mass.;
& Co., Boston, Mass.; William Beeching & Co., Bos-
Stinson & Co., Boston, Mass.; R. F. Goodwin, Nor-
iam King, Perth Amboy, N. J.
arious others of less importance.
, yours,

GUDEWILL & BUCKNALL.

CORKS.

(Paragraph 434.)

LES D. ARMSTRONG, OF ARMSTRONG, BROTHER & CO., OF PITTSBURG, PA.

sage of the McKinley act corks paid 25 per cent ad
he undervaluations by certain importers, on account of
ty of proper appraisements, were so notorious and bare-
e was compelled to cease this branch of our business—
tant one—as corks were sold by other importers, who
ore than we did in Spain and other producing coun-
actual cost to us laid down in New York. This fact
proved, and the documents as submitted by the
he Treasury at the port of New York are, I believe,
ton.
y of 15 cents per pound was adopted as being prac-
e average rate of duty paid on corks under the ad
per cent, and the records of importations since 1890,
lected on the same, demonstrate that this calculation
conservatively made.
is change was being considered by the Ways and
, the plea was made by the importers that their busi-
ned by the passage of this act, and that they would
tire completely from the field. The statistics enu-
how the falsity of this claim and tend to prove the
now make, that the importing business has increased
890, both in volume and in the number of houses

Duties collected on corks.

.....	$52,382.90
.....	66,335.49
.....	61,797.74
.....	85,933.47
.....	98,780.93
.....	100,288.45
.....	105,455.79

the United States are paid much higher wages than
rtugal, Germany, Sweden, Russia, and other Euro-
nd competing countries. American machinery has
broad to a large extent, consequently the methods of
merica and Europe are now very similar, and the out-
day is nearly equal. The following table is compiled
wledge of the writer of wages paid in Europe and at

[Work: Europe, 72 hours per week; Pittsburg, 55 hours per week.]

	Europe, per week.		Pittsburg, per week.	
Wood sorters	$3.00 to	$4.00	$13.00 to	$15.00
Blockers	3.00	5.00	9.00	12.00
Slicers	3.00	4.00		12.00
Tapering machine: Operatives, female	1.50	2.00	5.00	6.00
Rounding machine:				
Hands, female	1.20	1.50	5.00	7.00
Sorters	2.00	2.50	5.00	7.00
Laborers	2.00	2.50		9.00

Since the passage of the McKinley act there has been an average increase in the wages of the cork workers of the United States of at least 10 per cent. The labor on corks represents, in some classes of goods, as much as 80 per cent of the cost of production.

Since 1890 there has been a constant decline in the selling prices of all kinds of cork products in the United States, until to-day they have reached the lowest point ever known in the history of the business. Corks are sold from a uniform list by discount. The following table shows a percentage of the list, the goods netted the manufacturers in 1889 and 1893:

	Per cent of list.	
	1889.	1893.
Bottlers' corks	70	60
Brewers' corks	70	50
Druggists' corks	30	18

In fact, the competition has been so keen that during the past year a number of manufacturers have been compelled to close out their business.

There are at present about twenty-five importing competing factories besides many small ones engaged in cork manufacturing in this country, and the United States ranks among the leading cork producers of the world. To reduce the present specific duty or to return to the ad valorem duty would surely work great injury to this industry, and would certainly compel American manufacturers to transfer a large part of their plant to the other side, as they could not reasonably hope to cope successfully with Spanish and Portugese labor under the management of French, German, and English capitalists.

Since the passage of the McKinley act, in spite of a material increase in the cost of raw material in Europe—

(1) Importations have increased.

(2) Revenues have increased.

(3) Wages paid American laborers have increased.

(4) On account of the severe competition among domestic manufacturers, the price of corks to consumers has reached the lowest point ever known.

(5) Under the specific duty the business of cork importing is open to any person desiring to engage in it, as undervaluation is not possible, and on account of fair, honest competition, imported corks are to-day sold at lower prices than ever before known in this market.

Respectfully submitted,

CHARLES D. ARMSTRONG,
For the Cork Manufacturers of the United States.

7.)

BOSTON, *September 19, 1893.*

to what seems to us to be an
aws, upon manufactured emery

y stone is imported into this
nich has been opened which has
hich is now in operation. The
free, costing, we think, from 1

r pound would fully protect the
foreign labor in the preparation

1 cent per pound.

BSTER KING GLUE CO.
BSTER KING,
President.

—

S.

1.)

a., desire to present the follow-
nts per gross on matches should

ross not as a protection to our
ign manufacturer pays for the
nold that we have the first claim
e help to support its industries.

consumer would not be affected
duty, but the reduction would
facturer, affording him a market

; about the price of matches, is
nis money.
ges and salaries as are entirely
id a strike in our manufactory
In fact, we have never known
tory. Our labor costs us much
e same class of work. It is just
n be employed in Sweden, which
A girl in our manufactory that
n Sweden for less than half that
that Swedish labor of this class

for anything in this matter but
ne retention of the present duty.
or license of 10 cents per gross
ase them on the cost of produc-

THE YORK MATCH CO.

MATCHES.

(Paragraph 441).

STATEMENT OF O. C. BARBER, OF CHICAGO, ILL.

Mr. CHAIRMAN: I have come before you on a different subject from the gentlemen who have just spoken. My subject is that of the manufacture of matches. We have a protection of 10 cents a gross on matches, that is to say, there is a tariff of 10 cents a gross of 144 boxes of matches of 100 matches to each box. I would like to have it retained for the reason that it is a protection. The Swedes are the great manufacturers of matches for the whole world. They are the largest competitors that we have in the markets of the world. They are a people content with small wages, and are industrious. They have conquered the markets of India and nearly all the markets outside of Europe except the American market and a part of the South American market. They have been able to do this because of the cheapness of their product. The rate at which they pay their labor (men are not employed in the match business) is at the rate of about 25 cents a day for girls, where we pay an average of about $1. You can see what the result would be if we should undertake to compete with them. It is a simple matter so long as we are established on a protective basis. The whole system of the commerce of the country is established on the system of protection, and we can not see why we should be left out and separated from the system. It can not be done without great loss to our business. We think that if you should conclude to continue the protective system in this country in order to keep up the rate of wages we are now paying, we think you would do us injury if you left us out of the protection list. If it is to be the rule of this country that it is to continue under the protective system we want to be recognized. If the free-trade system should be adopted we would have our doubts of being able to continue. It takes a long time to build up a system, and after it is built up it takes a long time to readjust it to a new basis diametrically opposed to the one in existence. The Swedes are established on a free-trade basis. How long it would take us to adjust ourselves to that we do not know. Therefore, we ask you to continue our protection.

I want to show you that it will not amount to much to the consumer. The tariff of 10 cents on a gross of matches of 144 boxes, 100 matches to the box, if estimated, would be a reduction in the cost of the matches in this country of one-fourth of a cent on a hundred which would be absorbed by the dealer; the consumer would get no benefit. Matches are put up in dozens. The difference in the cost of matches now and what the cost would be if the tariff was taken off and the matches were reduced accordingly would be less than a cent a dozen. A retail dealer could not see how to divide that, and would keep the cent.

We are employing between 6,000 and 7,000 people in the match industry in the United States. It is a small industry compared with the others of which you have been hearing. It is an article which enters into every household, and every person is more or less affected by the quality of matches. It has been the habit of European manufacturers to send the best goods to the countries where they had the most competition, and therefore they dumped upon us their poor qualities. To-day the industry is well established in this country. It has been established over forty-five years. I have grown up with it in that

have been through free trade and everything
I worked at it when we had free trade away
vas a boy in the business at that time. I used
'ould go out with a wagon load of matches and
n load of cotton, beeswax, sugar, candles, gin-
hings of that sort, and I used to take those and
the laborers in payment of their wages. The
uld receive would serve to pay for the phos-
rted. This is the system that was under free
l system of protection which has been adopted
ral years the country seems to have thrived,
g it would radically reverse the whole system.

country can thrive under a good many mis-

; it can.

HATTERS' FURS.

(Paragraph 444.)

NEW YORK, *September 13, 1893.*

the tariff bill now in force relating to hatters
al from which they are produced are as follows:
1890, section 444: "Furs dressed on the skin,
rticles, and furs not on the skin prepared for
ad valorem."
ections 587 and 588: "Furs dressed; fur skins
in any manner."
dutiable at 25 per cent ad valorem in the tariff
1846, 8 per cent in 1857, 10 per cent in 1861, 20
0 per cent in every tariff enacted since 1862.
1870 placed on the free list the raw material
are prepared, namely, "Fur skins not dressed
briefer equivalent, "undressed furs," a portion
facturing "hatters' furs" was transferred from
ermany to this country. During twenty-three
has proved protective without being prohib-
g a large factory in Connecticut in which we
uestion, we are not able, with the present pro-
to manufacture over one-half of all the hatters'
t 20 per cent duty, all the medium and lower

is secures to the consumer the benefit of a free
tion between the American and foreign manu-
market.
acturer would be driven out of the business, as
by any serious changes in the schedules.
he tariff from 1870 to 1890 the subjects received
ration, and in every case the final decision of
n to continue the classification and duties as
spectfully ask that no change be made now.
, yours,

W. A. & A. M. WHITE.

HATS.

(Paragraph 451.)

NEW YORK, *September 16, 1893.*

re your your committee to advocate the reten-
y on fur felt hats, namely: Schedule N—hats,
d children's wear, composed of the fur of the
r animals, or of which such fur is the component
, wholly or partially manufactured, including fur
n, 55 per cent; and to impress upon your minds,
ossible for us to do, that the result of the past has
ie duty of 55 per cent ad valorem is by no means
ort of our views we present the following reasons:
cally all of the material used in the manufacture of
ect to duty. The furs prepared for hatters' use are
cent ad valorem, and the duty on other materials
50 per cent on silk and satin linings, hat bands and

5 per cent of the cost of these hats is composed of labor
two and one half times more than is paid in Europe,
this statement we submit a photographic copy of a
of the largest hat factory in Europe, Messrs. Vinenet
that some of the hands earn 12½ centimes, or 2½ cents
tically the same work for which we pay 10 cents an
n 30, 35, and 40 centimes an hour, or 6, 7, and 8 cents,
the same work 20 cents an hour. Others on this pay
5, 40, and 45 centimes, or 7, 8, and 9 cents an hour.
ents an hour. The foremen on this Vinemet pay roll
½ francs per week, or $8 and $8.50. The foremen in
s are paid from $20 to $30 per week.
ntrary to the popular idea, that the machinery used
perior to that adopted by European manufacturers.
oth countries use practically the same machinery.
hstanding the present duty, there has been no increase
s to the consumer, for the reason that they are man-
ve different States, viz, New York, New Jersey,
nnecticut, Rhode Island, Massachusetts, Maine, Cali-
ndiana, Illinois, and Maryland. And there exists no
tion in regard to prices. The keen competition among
factories, employing about 25,000 hands, causes the
a very close margin of profit.
h the present means of rapid transit between this
pe, and with the system of the cable code, the two
ght so closely together that any material reduction
ies would enable European manufacturers to destroy
ompel the reduction of labor to the European stand-

an illustration of the comparative cost of a hat in
Europe, costing $15 per dozen in this country:

	American cost.
5	$3.00
t of $15	3.00
	8.25
	.75
	15.00

Fur, 16⅔ per cent
Trimmings, 33⅓ p
Labor, 40 per cen
Incidentals, one-

The above s
be made in Eu
the price paid
cost of the fore
here would cos
tory, and we h
We wish to
so the fact th
destroyed. Th
into this count
ent law we bel
other industry
We desire fu
of 25,000 laborі
We assert an
manufacturers
with their good
to be reduced.
Respectfully
manufacturers.

The reason t
from 1888 to 18
not become fa
for the Ameri
were proverb
style, charac
short time p
ufacturers, S
ited the Uni
of learning
to become a
At this tin
manufactu
per month
making fu
and mach
land. T
throughc

Foreign cost.

Fur, 16⅔ per cent less than American cost, which is $3	$2.50
Trimmings, 33⅓ per cent less than American cost, which is $3	2.00
Labor, 40 per cent of American cost, which is $8.25	3.30
Incidentals, one-half of American cost, 75 cents	.38
	8.18

The above shows that a hat costing $15 per dozen to produe here can be made in Europe for $8.18, the greater part of the difference being the price paid for labor. With the duty of 55 per cent added, the total cost of the foreign hats would be $12.68; the same hat manufactured here would cost $15, which shows that the present tariff is not prohibitory, and we have never asked for such a tariff.

We wish to impress on your committee as earnestly as possible to do so the fact that our industry must have adequate protection or be destroyed. The percentage of increase in the importation of fur hats into this country during the year previous to the passage of the present law we believe to have been unprecedented in the history of any other industry during the same period.

We desire further to say that in our request we represent the wishes of 25,000 laboring men engaged in our industry in this country.

We assert and are prepared to prove that English and other European manufacturers have made preparations to flood the American market with their goods the moment it is announced that the present tariff is to be reduced.

Respectfully submitted by the undersigned committee of fur felt hat manufacturers.

JEROME TAYLOR,
JAMES L. CARR,
E. V. CONNETT,
C. H. MERRITT,
C. H. TENNEY,
A. B. WARING,
Committee.

APPENDIX.

The reason that the importation of fur felt hats increased so largely from 1888 to 1891 is that up to that time the foreign manufacturers had not become familiar with the styles and character of the hats wanted for the American market. Previous to the above dates English hats were proverbially known as heavy and clumsy, also lacking the nobby style, character, and finish which the American public required. A short time prior to 1888 the well known firm of Christy & Co., hat manufacturers, Stockport, England, one of the largest in that country, visited the United States with their manager and foreman for the purpose of learning the ingenious methods of the American manufacturer, and to become acquainted with the styles and trimmings to suit our market. At this time they entered into an agreement with one of our leading manufacturers to return with them to England, at a salary of $1,000 per month, to teach them and their workmen the American method of making fur felt hats, and at this time many valuable American tools and machinery were purchased in this country and shipped to England. They have since been copied and are now in universal use throughout England, Belgium, France, and other European countries,

and are operated by the labor paid the low prices of those countries; for instance, Vincenet, one of the largest on the Continent, also many in the south of France and other parts of Europe, employing from 50 to 60 per cent of women, who do the hardening, felting, pouncing, and finishing of the hats. All of these processes in this country are done by men (and are branches of the hat business which no woman should be called upon to perform; as example, the felting of the hat bodies consists of shrinking them in scalding water with diluted sulphuric acid. Owing to the high temperature generated by this boiling water and the excessive heat of our summer months, the men in this department are obliged to work clad with little or no clothing. In winter the steam is so dense that it is hard for men to remain at this work, to say nothing of women. On the continent a large proportion of the felting of hats is done by women. The pouncing process consists of rotating the hats by machinery at an enormous velocity, and applying to it sandpaper, which causes an immense amount of dirt and dust. In the finishing department the hat body is steamed over wooden forms, ironed with heavy heated tools, and rubbed with sandpaper to produce the requisite finish. This process is laborious for men, but in many European factories is performed by women (except in England), who work for about 15 francs, or, say, $3 a week.

In the above branches of hat manufacturing in the United States men only are employed, earning from $12 to $18 per week, and often more.

A short time after the American manufacturer went to Christy's to give this English firm a knowledge of American methods of making fur hats, a merchant who had formerly been connected as a partner with a practical American manufacturer conceived the idea that owing to the great difference in wages paid for labor in foreign hat factories and the difference in the other costs of production that hats could be imported into this country and sold at a good profit, and at the same time undersell other dealers, on account of the paltry duty at that time of 30 per cent. With this purpose in view he went to Belgium and visited the factory of Messrs. Vincenet, at Brussels, one of the largest concerns of the kind in the world, taking with him wooden forms, shapes, and samples of American hats, and while there instructed those interested in the factory in regard to the wants of this country so far as style and quality were concerned. For some time this merchant imported large quantities of hats into this country, realizing enormous profits, and was able to undersell the American makers. His example was immediately followed by many others in the trade. When the present tariff became a law the importation greatly decreased, although a number are still imported. The Government already receives a large revenue from the duty on hatters' furs, silk, satin linings, bands, bindings, leathers, dyestuffs, and incidentals used in the manufacture of fur felt hats, both for men's and women's wear; and as the present duty on these hats and hat bodies is by no means prohibitory, we would urge upon your committee that, if not slightly increased, it may be at least retained.

Respectfully yours,

ARTHUR B. WARING,
Yonkers, N. Y.
GEORGE JULE,
Newark, N. J.

GLOVES.

(Paragraph 458.)

I have the honor to hand you herewith a plain and comprehensive schedule, embracing all classes of kid or other leather gloves, to take the place of paragraph 458 of the present law, which schedule was prepared and unanimously recommended by the Glove Manufacturers' Association of the United States, as appears by the signatures of the officers of that association attached thereto.

This schedule provides for specific duties, instead of the compound, specific and ad valorem, imposed by the present law. The advantages of a specific duty are set forth in a communication herewith inclosed, dated New York, September 19, 1893, addressed to M. S. Northrup, Secretary of the Manufacturers' Association, by Hon. J. B. Wilkinson, jr., a member of the Board of United States General Appraisers; also a communication, dated New York, September 18, 1893, addressed to Mr. Northrup, together with a statement of duties collected on leather gloves during 1893, stating what the reductions would be in the schedule proposed by the manufacturers, calculated on the importations of last year, prepared by E. C. Leseur, United States Examiner at the port of New York; also a communication of September 20, 1893, addressed to me by the chief of the Division of Customs, expressing his commendation of a specific rate of duty, and stating his reasons therefor; also a communication of September 20, 1893, from Hon. C. S. Hamlin, Assistant Secretary of the Treasury, stating the number of reappraisements of kid gloves imported at New York, and the advances sustained by the Board of Appraisers, which would not have been necessary under a specific rate.

I also transmit a statement of the importations of gloves for the years 1890, 1891, 1892, and 1893, forwarded me by the acting chief of the Bureau of Statistics, under date of September 19, 1893, stating what duties were collected under the tariff of 50 per cent ad valorem existing previous to October 1, 1890, and the rate and amount of duty collected on the importations subsequent to the enactment of the tariff of 1890, which shows that the rates were increased in the first nine months of 1891, 2.71 per cent, for 1892, 4.70 per cent, and for 1893, 4.38 per cent over the tariff rates existing previous to October 1, 1890. As stated in the communication of General Appraiser J. B. Wilkinson, jr., "the rate of duties," recommended by the manufacturers, "are easily collectible, and are generally a slight reduction upon the present tariff."

Customs officials unanimously condemn ad valorem duties as opening the way to fraudulent importations and greatly increases the cost of collection. The appraisers of merchandise dutiable at ad valorem rates are in constant contest with the importers, and the uncertainty attending their efforts to arrive at a just decision of what the duties ought to be tends very seriously to embarrass the trade in those articles. There is a constant feeling of uncertainty as to the price at which these goods may be put upon the market. On the other hand, specific duties are collected with the least expense, without controversy or delay, and the dealers in the goods are able to make steady and uniform prices based upon the cost of the article in the foreign market; and manufacturers, knowing what competition they have to meet, can conduct their business without the dangers of the sudden fluctuations in prices brought about by variations in the cost of importation, inseparable from the assessment of ad valorem duties. The large

importers of goods of this class have come to recognize the importance of having specific duties, and those representing a very large proportion of this trade have expressed their desire to have them imposed. The Manufacturers' Association, recognizing the advantage of specific duties, have recommended a somewhat lower tariff than the present one—in fact, one slightly below the tariff existing previous to October 1, 1890.

To meet the demand for a lower tariff they ask that specific duties be imposed on all goods imported and brought into competition with theirs at the proposed rate, which will enable them to conduct their business without interruption, and to pay a just and reasonable compensation to their employés. Lower rates of duty than those proposed, it is believed, will seriously cripple this industry or compel a marked reduction in the compensation paid to laborers employed therein.

All of which is respectfully submitted in behalf of the Glove Manufacturers' Association of the United States, a large proportion of whom conduct their business within the district which I have the honor to represent.

Very respectfully,

N. M. CURTIS,
M. C., Twenty-second New York District.

To the honorable Committee on Ways and Means of the House of Representatives, Washington, D. C.:

We, the undersigned, manufacturers of leather gloves, pray you to adopt the following tariff schedule upon leather gloves.

Gloves of all descriptions composed wholly or in part of leather, whether wholly or partly manufactured, including what is known in fabrication as glove tranks, shall pay duty at the rates fixed in connection with the following specified kinds thereof and one dozen pairs as the basis. The length stated to be the extreme length when stretched to the full extent.

	Per dozen pairs.
Upon all glace leather gloves commercially known as schmaschen, of lamb or sheep origin:	
Ladies' or children's:	
14 inches in length or under	$1.50
Over 14 inches in length	2.50
Men's or cadets'	3.00
Upon all other glace leather gloves of lamb or sheep origin:	
Ladies' or children's:	
14 inches in length or under	2.00
Over 14 inches in length	3.00
Men's or cadets'	4.00
Upon all glace leather gloves of kid or goat or other origin except lamb or sheep:	
Ladies' or children's:	
14 inches in length or under	3.00
Over 14 inches in length	4.50
Men's or cadets'	5.00
Upon all leather gloves with exterior grain surface removed, commercially known as suede, castor, etc., of lamb or sheep origin:	
Ladies' or children's:	
17 inches or under	2.00
Over 17 inches in length	3.00
Men's or cadets'	4.00

	Per dozen pairs.
Upon all other leather gloves with exterior grain surface removed, commercially known as suede, castor, etc., of kid or goat or other origin except lamb or sheep:	
Ladies' or children's:	
17 inches in length or under	$3.00
Over 17 inches in length	4.50
Men's or cadets'	5.00
And in addition to the above rates there shall be paid:	
Upon all ladies' or children's lined gloves	1.50
Upon all men's lined gloves	1.00

Provided, That all gloves represented to be of a kind or grade below their actual kind or grade shall pay additional duty of $5 per dozen pairs.

Unanimously approved and adopted by the Glove Manufacturers' Association of the United States.

D. W. CAMPBELL,
President.
M. L. NORTHRUP,
Secretary and Treasurer.
J. C. ALLEN,
Chairman Executive Committee.
D. B. JUDSON,
JAMES RADFORD,
GEORGE M. PLACE,
P. P. ARGENSINGER,
LUCIUS N. LITTAUER,
Members Executive Committee.

NEW YORK, *September 13, 1893.*

DEAR SIR: In reply to yours of yesterday's date, I beg to state that with an experience of fifteen years as examiner of leather gloves at this port, I am convinced that it is impossible to equitably collect the duty upon an ad valorem basis on this commodity, for the reason that some importers will undervalue, and it is almost impossible to ascertain their actual foreign market value. The specific part of the existing tariff has been the most satisfactory part of it. The schedule you submit is strictly specific, and in my opinion, simple, clear and collectible.

Respectfully, yours,

E. C. LESEUR,
United States Examiner.

Mr. WILLIAM F. FOSTER.

P. S.—I think the firms whose names appear on the accompanying petition received during the year 1893, about 85 per cent of all the leather gloves imported into this port.

E. C. L.

	Average value per dozen.	1892. Specific.	Ad valorem.	Proposed specific.	Ad valorem.	Reduction.
						Per cent.
Schmaschen, 14	3.30	1.75	52.67	1.50	45.45	7.22
Over 14	5.00	.....	50.00	2.50	50.00	.....
Lamb, 14	4.00	2.25	56.71	2.00	50.00	6.71
Over 14	7.00	.....	50.00	3.50	50.00	.....
Kid, 14	5.00	3.25	64.04	3.00	60.00	4.04
Over 14	9.00	.....	50.00	4.50	50.00	.....
Men's, all kinds	6.00	4.25	70.80	4.00	66.66	4.14
Suèdes, L. or S. origin, 17 and over	4.65	.....	50.00	2.00	.43	7.00
Suèdes, K. or G. origin, 17 and over	6.00	.....	50.00	3.00	.50	.....

OFFICE OF THE BOARD OF U. S. GENERAL APPRAISERS,
New York, September 19, 1893.

DEAR SIR: I have considered the glove schedule submitted by you for my examination, and, while I have no opinion to offer as to the measure of duty to be assessed upon gloves, I have no hesitation in saying that the specific duties you name are easily collectible and are generally a slight reduction upon the present tariff. Upon gloves of great length, the reduction is very considerable.

My experience as a general appraiser leads me, speaking of the interests of domestic manufacturers, importers, and consumers, as well as of the interests of the Government revenue, to favor specific instead of ad valorem duties, at least so far as relates to the glove schedule.

Respectfully, yours,

J. B. WILKINSON, Jr.

Mr. M. S. NORTHRUP, *City.*

NEW YORK, *September 18, 1893.*

DEAR SIR: In response to yours of the 16th, I enclose the calculation desired.

The first three lines which are specific under the present tariff are given exact, the others are impossible to get exact and are estimated as per notes A and B. You can, however, depend upon the estimates being substantially correct.

Truly, yours,

E. C. LESEUR,
United States Examiner.

M. S. NORTHRUP, esq.

Statement of duties collected on leather gloves, during 1893, with proposed rates and reductions.

Description.	Received.	Duty.	Equal to—	Proposed.	Reduction.	
	Dozens.		*Per dozen.*	*Per dozen.*	*Per dozen.*	*Per cent.*
Schmaschen, 14 inches and under..	265,648	$470,471	$1.77	$1.50	$.0.27	15.25
Lamb 14 inches and under.....	92,952	219,256	2.35	2.00	.35	14.89
Kid, 14 inches and under.....	200,360	660,225	3.29	3.00	.29	8.81
Suèdes and all over 14 inches	740,688	1,919,101	2.59	*2.30	.29	11.19
Men's gloves	105,806	448,943	4.24	†4.00	.24	5.66

*Estimated. The great bulk will come under the new schedule, as suède of lamb or sheep origin 17 inches or under at $2. Thirty cents per dozen added to total will about cover the extra amount collected upon all over 17 inches, which is a very small proportion.

†Estimated. The great bulk will come in as Glacè men's or cadets of lamb or sheep origin at $4 per dozen, a few Schmaschen at $3 per dozen, and goat at $5 per dozen. There are very few men's suèdes, so that $4 per dozen may be considered a fair average for men's gloves.

E. C. LESEUR,
United States Examiner.

NEW YORK, *September 18, 1893.*

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, D. C., September 20, 1893.

DEAR SIR: In reply to your enquiry I have to say that, without commenting upon the rates of duty specified in the proposed measure relative to kid gloves, I am convinced that the affixing of specific rates

	Per dozen pairs.
with exterior grain surface removed, commer-	
:or, etc., of kid or goat or other origin except	
' under	$3.00
gth	4.50
	5.00
rates there shall be paid:	
en's lined gloves	1.50
'es	1.00

epresented to be of a kind or grade below their actual
ional duty of $5 per dozen pairs.

d and adopted by the Glove Manufacturers'
d States.

D. W. CAMPBELL,
President.
M. L. NORTHRUP,
Secretary and Treasurer.
J. C. ALLEN,
Chairman Executive Committee.
D. B. JUDSON,
JAMES RADFORD,
GEORGE M. PLACE,
P. P. ARGENSINGER,
LUCIUS N. LITTAUER,
Members Executive Committee.

NEW YORK, *September 13, 1893.*

) yours of yesterday's date, I beg to state that
:een years as examiner of leather gloves at this
t it is impossible to equitably collect the duty
s on this commodity, for the reason that some
e, and it is almost impossible to ascertain their
lue. The specific part of the existing tariff has
ory part of it. The schedule you submit is
ny opinion, simple, clear and collectible.
's,

E. C. LESEUR,
United States Examiner.

ER.

's whose names appear on the accompanying
; the year 1893, about 85 per cent of all the
into this port.

E. C. L.

	Average value per dozen.	1892. Specific.	Advalo-rem.	Proposed specific.	Advalo-rem.	Reduc-tion.
						Per cent.
.....	3.30	1.75	52.67	1.50	45.45	7.22
.....	5.00	.....	50.00	2.50	50.00	.....
.....	4.00	2.25	56.71	2.00	50.00	6.71
.....	7.00	.....	50.00	3.50	50.00	.....
.....	5.00	3.25	64.04	3.00	60.00	4.04
.....	9.00	.....	50.00	4.50	50.00	.....
.....	6.00	4.25	70.80	4.00	66.66	4.14
.....	4.65	.....	50.00	2.00	.43	7.00
.....	6.00	.....	50.00	3.00	.50	.....

administering the present schedule, which is partly specific and partly ad valorem, greatly desire the adoption of a strictly specific schedule, as in the interest of a good administration of the customs laws, and as preventive and curative of the evils of undervaluation, which no system of reappraisement has yet been found adequate to eradicate.

(5) Because this industry has suffered for many years under the evils of undervaluation, arising from the ad valorem system, until the act of 1890, when the partially specific schedule was established, under which the trade has revived and made substantial gains, as shown by the official records, chiefly because of the easy administration of the specific features of the law.

(6) Because this schedule has been framed, after a long consideration by official experts, who have taken into account the experiences of past years, not only of the importers and domestic manufacturers, but also of the officials of the Treasury and the customs administrative officers, and it may be regarded as their recommendation, in which not only the interests of the importer and domestic manufacturer are considered, but also the interests of the Government and the consumer. It is, therefore, consistent with a sound public policy that it be now adopted, and thus put at rest for the future the vexed questions which have grown out of the divergent interests incident to the ad valorem system.

(7) Because it is approved by the customs officials, as is shown by the letter hereto appended, and their testimony exhibited before the previous Congressional investigation of the subject, as will be found in the hearings before your committee of previous Congresses. Our present efforts for a strictly specific duty, therefore, are in line with the general policy earnestly desired by the customs officials, including the Board of General Appraisers. It is, we believe, the only method by which the proper duties can be easily collected upon all importations. We also append the petition for the adoption of this schedule, signed by the importers representing 85 per cent of the total importations.

We have the honor to be, very respectfully, yours,

WM. F. FOSTER,
Chairman of Glove Importers' Committee,
Representing the Importers.

We, the undersigned importers of leather gloves, pray you to adopt the following tariff schedule upon leather gloves:

	Per dozen pairs.
Upon all glace leather gloves, commercially known as Schmaschen, of lamb or sheep origin:	
Ladies' or children's:	
14 inches in length or under	$1.50
Over 14 inches in length	2.50
Men's or cadets	3.00
Upon all other glace leather gloves of lamb or sheep origin:	
Ladies' or children's:	
14 inches in length or under	2.00
Over 14 inches in length	3.00
Men's or cadets'	4.00
Upon all glace leather gloves of kid or goat or other origin, except lamb or sheep:	
Ladies' or children's:	
14 inches in length or under	3.00
Over 14 inches in length	4.50
Men's or cadet's	5.00

s, according to classes, is a great im-
npound rates, both as to simplicity of
lection.

JOHN C. COMSTOCK,
Chief Division of Customs.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
ıshington, D. C., September 20, 1893.

at the Department this morning, in
aisement of kid gloves imported into
ıor to state that an examination has
forwarded from the board of general
the year 1892, under the provisions
10, 1890, and it is found that circulars
2 and 206, promulgating such weekly
rous advances of ladies suède gloves,
› 6 francs per dozen, and from 1 to 7

ılars is forwarded herewith for your

C. S. HAMLIN,
Acting Secretary.

---

resentatives,
Washington, D. C.

SEPTEMBER 14, 1893.

leather gloves in the United States,
the entire importations, we herewith
tariff rates upon leather gloves which
e instructed us to ask shall be incor-
now under consideration, to take the
entitled "An act to reduce and equal-
ɔther purposes," approved October 1,
the adoption of this schedule by your

simple specific duty schedule, which
ion and also of unjust discriminations
d valorem duty system.
ideration and consultation, the import-
lule as equitable and just to all con-
will, we believe, result, first, in an
therefrom, arising from an increase of
ısure a reduction in the price to the

l secure a reduction of the tariff rate
responding increase of importations,
urbance either to the importing trade
industry.
ıls, after three years of experience in

designation of lamb and sheep, for the reason that it is impossible to distinguish between that and what is known as schmarschen, or in England, slink skin. · What we desire is that there should be but one rate of duty for lamb and slink skins and sheepskins. I would like to submit a sample of the slink skin (placing on the table a glove made of the material.)

Mr. PAYNE. Has the revenue been increased in the aggregate?

Mr. PEYSER. I think it has under the McKinley tariff.

Mr. PAYNE. And have the prices remained the same?

Mr. PEYSER. In some cases they have materially advanced, in the others it is not affected. They have changed the intent of the original bill at the custom-house.

Mr. PAYNE. Slink skin is the term known in the trade in Germany and in a great portion of the United States as well?

Mr. PEYSER. Probably.

Mr. PAYNE. It is the skin of the unborn animal?

Mr. PEYSER. Not wholly that. There is no reason why there should be that distinction.

Mr. BRECKINRIDGE. Where do you get your material?

Mr. PEYSER. Mostly in South America and in the Spanish islands. Schmarschen is the name by which it is known in the trade.

Mr. BRECKINRIDGE. What per cent of the skin used in the manufacture of these goods is made from slink skin?

Mr. PEYSER. Hardly any. It would not make any difference in the American market.

Mr. BRECKINRIDGE. You depend upon foreign countries for your supply?

Mr. PEYSER. Yes, sir; in that class of goods.

TARIFF ADOPTED BY IMPORTERS' MAY 1, 1893.

All glace smaschen product of sheep and sheepskin gloves:	
Up to 14 inches	$1.00
From 14 to 20 inches	1.50
Above 20 inches	2.50
Lambskin gloves:	
Up to 14 inches	1.50
From 14 to 20 inches	2.50
Above 20 inches	3.75
Kid or any other leather, not specified:	
Up to 14 inches	2.50
From 14 to 20 inches	3.75
Above 20 inches	5.00
Suede or undressed of sheepskin origin:	
Up to 17 inches	1.00
From 17 to 20 inches	2.00
From 20 to 24 inches	3.00
Above 24 inches	4.00
Others:	
Up to 17 inches	2.00
From 17 to 20 inches	3.00
From 20 to 24 inches	4.00
Above 24 inches	5.00

At a subsequent meeting of the committee it was voted that the above schedule should apply to all women and children's gloves, and that all men's and cadets' gloves

of sheep origin shall pay	$2.00
Of other origin, shall pay	2.50
Men's Suede	2.00

	Per dozen pairs.
with exterior grain surface removed, commercially or, etc., of lamb or sheep origin:	
:	
th or under	$2.00
length	3.00
	4.00
oves with exterior grain surface removed, commer-, Castor, etc., of kid or goat or other origin, except	
:	
th or under	3.00
length	4.50
	5.00
bove rates there shall be paid:	
ildren's lined gloves	1.50
gloves	1.00

es represented to be of a kind or grade below their actual an additional duty of $5 per dozen pairs.

WERTHEIMER & Co.
HUGO ROTHSCHILD.
And others.

FRIDAY, *September 15, 1893.*

OF MR. W. H. RUTTY, KID GLOVE IMPORTER.

gentlemen of the committee: I am one of the com- sentative glove importers of New York. I am one n by the glove importers to prepare a paper chang- of the number, three have disagreed with the oth- y three out of the seven are not in accord with us. it down at the same price as lambs' skins, $2 a em rate would be 5 francs a dozen. To-day it is 100 per cent. Fourteen marks would represent 50 ne same opinion as Mr. Peyser, that a change ought

men's gloves which are imported at an invoice n. The McKinley bill makes $3.50, including kin, and kid. The proposition is to make the per cent, on schmarschen 4 per cent, and on kid 5 d make a duty of at least 5 per cent on the whole. nufacturing is $1 more than the cost in Europe. l get them here, that would be all the duty that The present cost is $1 for men's gloves alone. 100 per cent protection on the cost of manufac- and America. If you wish it, we will make out end it to you. The other gentlemen referred to ng what they have to say, and it will be presented

L. PEYSER, IMPORTER OF KID GLOVES IN NEW YORK AND BOSTON.

here has been a specific tariff imposed on kid gloves under three heads—schmarschen, lamb, and kid. n which ought to be decided, and that is as to the

Women and children's undressed gloves:	Per dozen.
Product of sheep—	
Up to 17 inches	$2.00
Above 17 inches	3.50
Men's and cadet	3.00
Product of all other leather—	
Up to 17 inches	3.00
Above 17 inches	4.00
Men's and cadet	3.50

All lined gloves 50 cents per dozen extra.

Provided, That all gloves represented to be of a kind or grade below this actual kind or grade shall pay a penal duty of $5 per dozen pairs.

PERRIN FRÈRES & CIE.,
HENRY M. PEYSER & COMPANY,
and others.

NEW YORK, *September 7, 1893.*

SIR: The correct and just specific schedule for leather gloves, which would yield the largest possible revenue to the United States and which would stop all undervaluations and crooked work at the appraisor's store, would be as follows:

On all leather gloves, either finished or partly made, that are twelve inches or less in length, $5 per dozen pairs. An addition of 50 cents per inch per dozen pairs for every inch in length over and above twelve inches. This would cover the whole ground. Please put it in your schedule and you will do the right thing for the Government and the American glove trade.

Yours, respectfully,

JOHN G. SCHRAM.

GLOVES.

(Paragraph 458.)

NEW YORK, *September 18, 1893.*

SIR: We submit the following for your committee's consideration in passing upon the glove tariff. To insure the full collection of duties we favor a specific tariff. The young of lamb is very difficult to distinguished from a Smaschen, and in our opinion all leather gloves of sheep or lamb origin should pay the same duty as Schmaschen. No matter how high or low you place the tariff, they should pay alike. Real kid, which is easily distinguished from all other glaceglove leather, should pay a higher tariff. All suedes (undressed kids) should pay the same duty, as it is practically impossible to distinguish their origin when the grain is removed.

The foregoing all applies to ladies' kid gloves, upon which we recommend the present ruling of fourteen inches as the minimum tariff, scaled sixteen and twenty inches and upwards:

Importers seem a unit in favoring a reduction in the tariff on ladies' kid gloves. Very few are made in this country, and any reasonable specific tariff will certainly prove a benefit, but the recommendation of these same importers towards an advance upon gent's gloves must appear very inconsistent to you, and, as we fancy, contrary to the fixed purpose of your committee. As large glove manufacturers at Gloversville, N. Y., we know that the protection asked on gent's gloves is both unnecessary and excessive, and we particularly call your attention to the following:

r per cent ad valorem and $1 per dozen on
present duty average about $3.50 per dozen
ported within a year). This tariff restricted
per and medium-priced gent's goods, such as
sses could buy. We feel very safe in saying
of these cheaper gent's gloves the average
than $3 per dozen.
rers of domestic leather gloves at Glovers-
that the total cost of labor upon a dozen
es is but from $1.50 to $3.50 per dozen for cut-
hing, sewing, closing, embroidering, laying
and machine labor performed thereon—in
leather and findings required, the sum of
making of a dozen gent's unlined gloves in
ty, New York State.
investigation in many European factories
Austria, we know that the same labor on
o $2.50 per dozen; therefore the utmost dif-
e cheapest possible production abroad and
y is $2.50 per dozen. These are the two
it $1.50 specific on gent's goods would fully
is the average). If your committee should
's goods you can be assured that you have
fference of labor in the two hemispheres.
on ladies', children's, and gent's lined kid
rely 25 cents per dozen.

M. BEEBER & Co.

HATS.

(Paragraph 460.)

MIDZ, IMPORTER OF STRAW GOODS, OF NEW YORK, N. Y.

ent the straw industry. The two largest
d I represent the importers to show you
ny.
were 40 per cent on straw hats and 30 per
We want to be protected against English
he raw material be put on the free list. We
and the rates were reduced 30 per cent on
raw material. The tariff of 1890 intended
al, but, instead of accomplishing this, the
ed the intention of the framers of it.
sessed at 40. Some of these goods which I
w, and never will be, made in this country.
he benefit of raw material, these rates must
ff.
w of 1890 straw hats were thrown into the
ndia rubber, with which they have no con-
at was a straw hat; but now it is classified
are classified as articles of wood, because
The bamboo hat from the Philippine Islands
valorem, because it was a manufacture of
l be adjusted. We would like to suggest

to you that in the new bill paragraph 518 should be in the free list. It provides for braids, plaits, and laces. Yellow hemp and manila should be left out. Hemp has always gone in at 20 per cent and we have been asked to pay 50 per cent. It happened to be fashionable two years ago. We sent for the raw material, but it did not come at all. These hats have never been made in this country, and why should we pay a tax of from 40 to 60 per cent? Originally it was 100 per cent; but the last decision was 40 per cent.

Mr. REED. Perhaps the Government might want to receive some revenue on this article.

Mr. SCHMIDZ. This is so small an article that it gives but little revenue. This industry has never been sufficiently consulted, and consequently the whole thing is in a muddle. I think it would be right to adjust that; and, if it is not done now, we may not have a chance to do it again in a lifetime.

Mr. PAYNE. You did not come before the committee four years ago?

Mr. SCHMIDZ. No, sir. We would also ask you to consider the matter of vegetable substances in this connection. It has been provided for in previous tariffs. This [exhibiting a straw hat] was classified at 90 per cent. For the next year or two this may be of no consequence, as it is out of fashion; but it will be fashionable one of these days. That we want to be put under the head of vegetable substances.

Now, we come to the particular thing. Here is a lot which we call raw material and which is imported in large quantities. These two gentlemen present are the only manufacturers who finish a hat like this one which I now show you. This hat is imported at 30 per cent. We do not think that these factories which have spent from $100,000 to $150,000 of labor for this hat should have competition by the importation of $100,000 worth of these hats which are made in Europe. We import that too; so we ought to be favoring the duty on this. It is necessary to put this on the free list as raw material. This hat can not be made in any other place in the world than Tuscany. We want that put on the free list, because these plants are employing from 1,000 to 15,000 people.

They should have the benefit of this. The labor cost abroad is 50 to 75 cents a dozen; and here it is $1.75 to $2 a dozen. Nobody is opposed to this, and I do not see that it makes much difference, because we can not tell how much duty was paid on it in the last two years. Four or five years ago the whole revenue from these goods was $150,000 to $250,000.

We ask for a little change in the present tariff paragraph 460, which is under the head of "felt and India rubber." We ask you to put straw hats under a special paragraph. The paragraph in reference to hats and bonnets for women and children should be more specific in order to settle litigation.

These two hats [indicating] come under the same duty, 30 per cent. They are finished in Italy. We finish these hats, and we want to be protected from the cheap labor of finishing in Italy. I think we ask only what is reasonable, and nobody will object. The question of revenue has hardly anything to do with it. There are some fancy lots of hats here which come in free. Nothing that we manufacture is braided in this country. There are no plaits or fancy goods of any kind which come under that head. The plaits are made in China, but not in this country. There is a braided hat which previous to 1883 came in under 30 per cent. After 1883 it came in under 20 per cent, and now it is on the free list. By reason of its construction it came under a different paragraph, and varied any [illegible] 40 per cent to 100 per cent.

HATS.

Tariff of 1890. No 460:
Manufactures of bone, chip, grass, horn, india rubber, palm leaf, straw, weeds, or whalebone, or of which these substances or either of them is the component material of chief value not especially provided for in this act, 30 per cent.

We propose for new tariff:
Bonnets, hats, hoods, and flats, for men, women and children, composed of chip, grass, palm leaf, willow, straw, bamboo, or any other vegetable substance, hair, or of which either of these substances is the component material of chief value, or of other material not otherwise provided for, 30 per cent.

BRAIDS.

Tariff of 1890. No. 518.
Braids, plaits, laces, and similar manufactures composed of straw, chip, grass, palm leaf, willow, osier, or rattan suitable for making or ornamenting hats, bonnets, and hoods, free.

We propose for new tariff:
Braids, plaits, laces, and similar manufactures composed of, or of which either of the following substances is the component material of chief value, straw, chip, grass, palm leaf, willow, hemp or manilla, or any other vegetable substance, or of hair suitable for making or ornamenting hats, bonnets, and hoods, hand-plaited bodies of straw, the particular produce of Italy and known in trade as "Leghorns," suitable only for being shaped and finished into hats, flats, bonnets, and hoods for women and children (the same hats and flats if imported shaped and finished, to pay 30 per cent), free.

HARNESS.

(Paragraph 461.)

SIR: We are instructed by the Retail Harness-Makers' Protective Association, which met in convention at the city of Chicago on the 15th of August, to address you in reference to the tariff on harness and other goods in our trade, which we think is unjustly dealt with in the matter of duties.

The first item to which we would call your honorable attention is the duty on harness. Granting, that as we are informed by correspondence from the customs, that no harness is brought in at a less duty than 35 per cent ad valorem, this is not sufficient to enable those of us manufacturing a first-class article to compete with the foreign makers, as we have to pay three times the wages, which is one of the largest component parts of a harness. Our mountings cost 50 per cent more than either the English or French harness-makers have to pay, and our leather, which is the smallest component part of a harness (not the largest, as the customs suppose it is), costs 50 per cent also more than the foreign makers above mentioned.

The second article, to which we would call your attention, is that of saddles, in the manufacture of which we are compelled to use imported goods, such as serges, on which the duty is 45 and 50, making 95 per cent duty; worsted web for saddle girths, on which we pay 50 and 60 or 120 per cent, and hogskins 20 per cent; straining web (linen), 35 per cent. On the top of all this we have to pay three times as much for making, and then our men are no better off than their fellow-craftsmen on the other side, as the matter of rent is, at the least, three or

four times as high; for instance, our men have to pay from $12.00 to $16.00 per month in advance, whereas the same men pay on the other side 3*s.* 6*d.* to 4*s.* per week for their little house. Under these circumstances we ask you, gentlemen, how we can compete with harness and saddles coming into this country at the foregoing duties? A glance at the figures will show you that we actually pay on an average double on our raw material (which we can not get made here) than is paid on the goods ready made for the market.

Another illustration of the injustice of the present tariff, or rather the tariff under which our goods are brought in (as there is no mention of our trade in the McKinley bill) is, for instance, the mountings, which is part of our raw material, is 45 per cent, and yet made up into harness ready for the market, requiring no labor, is 35 per cent; this we think unjust and unfair.

There is another injustice which is commonly practiced not only by private individuals but by importers also; that is, of having new harness and saddles used on the other side after purchasing and then bring them in as personal property in one case and as second hand in the other. This is a fair illustration of the grievances we wish to submit to your honorable board, as we feel that these and other things, including the keen competition in trade, which has brought what should be otherwise a profitable trade down to such a low level that neither employés or employers can make a fair livelihood in comparison with other craftsmen requiring the same amount of capital and mechanical skill; and we venture the assertion that there is no trade that requires more skill and attention to make it successful, and which takes longer to become proficient in its manufacture; and as our business is supported only by the most wealthy, to whose tastes we have to cater, we think our home manufactures should be better protected. In proof of the above there is now three importing houses in New York City alone that is doing more business than twenty of the leading harness-makers of the same city; and we submit the following table of duties, which we trust your honorable board will give due consideration and thought, and enable those of us who have now 10, 20, or 30 men to employ three times that number:

Harness	per cent..	75
Saddles	do....	75
Saddlery hardware	do....	30
All leathers as now	do....	20
Serges	ad valorem (no weight duty)..	35
Worsted girth webs	do....	35
All kinds of compositions	do....	25

On behalf of the committee, we remain,
Yours, respectfully,

J. J. STILLINGS.
ROBERT CURRIE.
WHITE & KERR.
WOOD GIBSON.
ANDREW HALLADAY.
EDWARD BÄCH.

NEW YORK, *September 14, 1893.*

HARNESS.

(Paragraph 461.)

[New York Journeymen Saddle and Harness-makers' Association, office 114 [East Thirteenth street.]

SEPTEMBER 17, 1893.

SIR: At a meeting of the above association, called for the purpose of giving expression to the views of our trade on the discussion of the tariff now pending before your committee, we, the undersigned, were appointed a committee to present to your committee the following as the evils of the present tariff laws and the remedies to be applied in future legislation. The present tariff laws as regards saddles and harness manufactured in whole or in part are, to say the least, very ambiguous and difficult of proper construction. We respectfully call your attention to section 4, tariff laws, 1890:

AD VALOREM DUTIES ON UNENUMERATED ARTICLES.

SEC. 4. That there shall be levied, collected, and paid on the importation of all raw or unmanufactured articles, not enumerated or provided for in this act, a duty of ten per centum ad valorem; and on all articles manufactured, in whole or in part, not provided for in this act, a duty of twenty per centum ad valorem.

Now, we are morally certain that the major portion of the harness coming into this country come in under the latter part of the above clause at 20 per cent instead of 35 per cent, which is the duty on manufactured harness. Importers have a very happy way of importing harness in unfinished parts, thereby evading full duty, when all that is necessary to completely finish it is to punch holes and buckle the parts together. Even if the full duty of 35 per cent were levied and collected it would not afford adequate protection to American labor as against the poorly paid labor of men and women, boys and girls, now employed in the large saddle and harness manufactories of Walsall, Birmingham, and other European cities which manufacture expressly for the American market. Your petitioners would further respectfully suggest that, since the importation of saddlery and harness has assumed such vast proportions, your committee would bestow on it the attention such an important industry deserves and have one uniform duty on all saddles and harness imported in whole or in part, so that every American workingman and manufacturer when he takes a copy of your new tariff laws in his hand he knows the duty paid on all articles against which he has to compete, and the higher the duty on saddles and harness the better for the American harness-maker.

Respectfully, yours,

JOHN MEEHAN,
Chairman.
R. Z. GOUGH,
Secretary.
PATRICK G. CRANE,
WM. N. HAZEL,
CHAS. A. THOMAS,
Committee.

IVORY.

(Paragraph 403.)

F MR. OTTO GERDAU, OF 41 DEY STRE

WEDNESDAY, &

I beg to draw your attention to
r piano and organ keys.

IVORY, UNMANUFACTURED.

t always imported in whole tusl
king and carrying to the coast, t
the hollow parts for ornaments
of the ivory workers require dif
wed in logs, or, in other words, th
solid pieces, arrive separately.
s are used here mostly by brush
ne and umbrella handles, and
into billiard balls, etc.
ff has been in existence such rav
ty as "ivory, and vegetable ivory
called McKinley bill in the free l
ase "ivory and vegetable ivory,
tured" was used, and the custor
uch logs of ivory certainly ough
y crude, with the original bark
y, yet they were bound to inter
ling and call them dutiable at 40
s of ivory, because the cross cut
which framed the McKinley bill n
t clause. What they meant to c
finished knife handles, pistol
for these was unnecessary becaus
ires the cutting of the ivory leng
ave the bark of the tusk intact.
's attention was drawn to the
and he promised that the clause
not to affect these crude pieces
verlooked. In substantiation of
ommunication received from the
nous wording was put into the
it was never even their intentic
ade pieces.
You say this is manufactured iv
es, sir; that pays a duty of 40 pe
ff worked up.
Your contention is that it is rav
y?
es, sir.
How does that affect ivory?
am not through yet. I will read
advocated this raise, if you wish

NEW YORK, *January 10, 1891.*

DEAR SIR: In answer to your inquiry, we beg to advise you that we suggested to the Ways and Means Committee of the Fifty-first Congress the phrase "Ivory and vegetable ivory, not sawed, cut, or otherwise manufactured," for raw ivory, in order to exclude any possible free admission of ivory piano keys, knife handles, and, in fact, any ivory cut lengthwise and crosswise, but we certainly did not mean to ask for any duty upon ivory cut across only into pieces on which the outside bark or enamel of the tusk has been preserved intact around its whole circumference, and have no objection to the continued free entry of such.

Yours, very truly,

ARNOLD, CHENEY & CO.

MR. OTTO GERDAU.

Furthermore, no business firm in the United States has been or could be benefited by it, because the importation of these pieces does not conflict with the business of any American firm, but, to the contrary, is of necessity to all the small ivory-turners. No one can contend that any plausible reason existed then or does now to warrant a duty on such crude ivory, but under the present ambiguous phrase it might even be claimed that whole tusks are dutiable because an ax is used to cut them from the skull, and if a like wording were used for lumber, trees cut from the root would probably be dutiable as manufactured lumber.

I therefore request that the wording for raw ivory is made intelligent, and that it is admitted free of duty by the same plain clause which has been used in every other tariff, viz, "Ivory and vegetable ivory, unmanufactured," free, or as "Ivory and vegetable ivory not sawed lengthwise and unmanufactured," free.

IVORY FOR PIANO AND ORGAN KEYS.

This is manufactured by only three manufacturers in the United States. There are manufacturers of this article in England, France, and Germany, but even under the old rate of 30 per cent none but one German firm could ever be induced to try this market. In spite of the rate of 30 per cent being as good as prohibitive, the McKinley bill raised the duty on it another 10 per cent, making it 40 per cent.

Two of these manufacturers had an argument in the newspapers over their own signatures about the tariff, as per inclosed clipping. You will see from it that one of them states himself that 10 per cent is quite enough protection on this article, and I request that the prohibition is removed and that a fair rate of duty, permitting some competition, is placed upon ivory for piano and organ keys.

OFFICE OF PRATT, READ & CO.,
Deep River, October 20, 1892.

To the Editor of the New Era:

SIR: The people of Deep River, by their cordial interest in the success of this company, have shown me so plainly their appreciation of its value to the town that I venture to call attention to their opportunity at the coming election to decide whether the business shall increase or decrease. The special reason for my writing is the statement made at the Democratic headquarters that the manager of this company favors the success of the Democratic party, the effect of such a statement, and no doubt its intended effect, being to create the impression that the success of that party was expected to help the company. Nothing can be further from the truth than such a notion. On the contrary, no one can realize better than myself the serious danger to this business which would result at this time from Democratic success.

Whatever may have been the expectation in preceding campaigns as to the changes which the Democrats would make if they secured control of national affairs, that party, in the present campaign, is absolutely committed to the principle of "a tariff

for revenue only." At the national convention the conservative planks referring to tariff reform were struck out from the party's platform and an explicit declaration inserted in favor of this free-trade doctrine. The advocates of free trade have control of the party's tariff policy, and the tariff which they will enact, if the Democrats get control of the Government, will be based on free-trade lines and opposed to a protective system. That is the line on which they are fighting this campaign, and no one who has not taken part, as I have, in shaping tariff legislation in Washington can appreciate the vigor with which the McKinley act will be torn in pieces if the Democrats win. The lobbies of the Capitol will swarm with the representatives of foreign manufacturers, whose business depends upon the repeal of the present duties, and the agent of the German ivory-cutters will be among the foremost. With a Democratic President and a majority in Congress hostile to the protective system, the duty on manufactures of ivory will be reduced (10 per cent is the rate they ask) and German ivory will flood the market. Most piano-makers are Germans, and easily induced to buy ivory from German houses. As wages at Hamburg are about one-fifth as high as in Deep River and the raw material is cheaper there than here, one can see how impossible it is to hold our business if exposed to competition with them.

Under the encouragement of the McKinley tariff, on the contrary, the business of this company is steadily gaining. The pay roll, for example, the fund that is paid into the town, has increased 18 per cent in the past two years, and is still gaining.

So far, therefore, as one has at heart the success of this company, it is his duty at the next election so to cast his vote as to prevent a change in the present tariff.

If the people of Deep River wish a prosperous business continued here they can contribute to that end. If they wish to see this business crippled, the pay roll cut down, and our workmen discharged, they can contribute to that end. If they aid the Democratic party to return to power on the tariff issue, they inflict on their own home industry an injury which will be felt first of all by themselves.

There should be no mistake in Deep River as to which party in this election is the friend of Pratt, Read & Co.

Yours, respectfully,

GEORGE L. CHENEY,
General Manager.

77 SOUTH STREET, BOSTON, MASS., *October 25.*

To the Editor of the New Era:

MY DEAR SIR: Having read very attentively the communication of Mr. George L. Cheney, general manager of Pratt, Read & Co., published in the Deep River New Era of 21st instant, I would state the following facts in relation to the business of manufacturing ivory goods in this country:

The tariff last in operation previous to the McKinley bill levied a duty of 30 per cent upon piano forte ivory and of 35 per cent on ivory combs. The Mills bill did not change these percentages, I am informed.

The McKinley bill levies a duty of 40 per cent upon all sawed ivory, thus raising the duty upon pianoforte ivory 10 per cent and upon ivory combs 5 per cent.

The entire amount paid for labor in the United States upon a set of pianoforte ivory is not over 10 per cent of the cost of the raw ivory, and on ivory combs not over 12½ per cent, so that the 10 per cent which Mr. Cheney mentions as the lowest rate the foreign manufacturer asks would cover the entire amount paid in this country for labor upon pianoforte ivory and nearly the whole amount upon combs.

Some years since a gentleman of large business ability and experience called, in my behalf, on the principal manufacturers of ivory in Germany, and I believe in the world, and was courteously shown everything except the bleaching process. From his report to me I have ever since believed that the labor cost of manufacturing piano ivory and combs in the town of Essex was smaller than it was in the establishment which the gentleman visited.

I have no fear that the company of which I am the treasurer would lose any of its business under absolute free trade. If other companies lost theirs, we should expect to acquire it.

In respect to the relative cost of the raw material in the United States and at Hamburg, I believe that raw ivory is about one cent per pound cheaper there than here, owing to the freight and insurance being so much less to Hamburg from the African coast than to New York or Boston; but more than this saving would have to be paid out on the transportation of the manufactured article to this country.

In conclusion, I should like to assure Mr. Cheney that under the secret-ballot act of Connecticut he can, without in anywise endangering his business interests, safely cast his vote from conscientious motives, and not at the dictation of any corporation.

Yours, truly,

GEORGE ROPES.

Mr. HOPKINS. Have you any facts or figures with you that would show it would be prudent or wise to reduce the tariff on pianoforte ivory from 40 per cent to 10 per cent?

Mr. GERDAU. There is not 5 per cent imported now. When there is 95 per cent imported there ought to be some competition. We desire some competition, which is now prohibited.

Mr. HOPKINS. Why do you put it at 10 per cent?

Mr. GERDAU. Because it is an ivory costing $2 or $3 a pound, a very expensive article, because you see there is no work done to it except as it leaves the saw. Afterwards it is completed, but it is not polished at all. If you put 10 per cent upon an article on which nothing has been done after it leaves the saw I call it enough. I think the 10 per cent will fully cover the difference in the wages.

That is all I wish to call attention to. If you let this phrase remain it is an error; it is a mistake. Maj. McKinley promised me at the time he would see it was corrected, but it was rushed through and the change was never made.

COCOA MATTING AND MATS.

(Paragraph 464.)

The undersigned, the largest manufacturers of cocoa matting and mats in the United States, respectfully petition for the repeal of the present high tariff on cocoa or coir matting or mats, and submit for your consideration the following facts, viz:

The McKinley bill is the first tariff bill that has ever provided specifically for cocoa matting and mats. The former tariff, which was in existence for upwards of twenty years, reads under Schedule N, sundries: "Floor matting and floor mats exclusively of vegetable substances, 20 per cent ad valorem."

This was equivalent to about $2 a roll on each roll of 50 yards of coir matting one yard wide, which is equal to a specific duty of 4 cents per square yard. Under the present McKinley tariff we are paying a specific duty of 12 cents per square yard for matting, which is equal to 60 per cent ad valorem, an advance of three times the former rate.

Upon mats prior to the McKinley bill we paid 20 per cent ad valorem, equal to $1\frac{61}{100}$ cents per square foot. The present (McKinley) tariff advanced this to 8 cents per square foot, an advance equal to a duty of 100 per cent ad valorem, or five times the former rate.

Upon matting, the present specific duty of 12 cents per square yard is equal to an ad valorem duty of 60 per cent. Upon mats the present specific duty of 8 cents per square foot is equal to an ad valorem duty of 100 per cent.

As the largest American manufacturers, whose capital is invested in this country, we feel qualified to address you on this subject.

We employ upwards of 200 men at our factory in Brooklyn, E. D., N. Y. No other manufacturers employ to exceed (as we are informed) more than one-half this number.

The imported matting does not compete with the domestic. It is a high grade, handmade, fancy article, more expensive than American goods. The price of the imported article principally sold here, but in limited quantities, is about 70 cents a yard; the average of the domestic article principally and very largely sold here is 50 cents a yard.

The labor involved in the manufacture of imported matting and mats

is equivalent to less than the work of eight workmen. Thus, to protect the work of eight workmen, who do not and can not make similar expensive and handmade articles, the tariff was increased on cocoa matting from 20 per cent ad valorem or 4 cents per square yard to 12 cents per square yard, or an equivalent of 60 per cent ad valorem, and on mats from 20 per cent ad valorem or $1\frac{61}{100}$ cents per square foot to 8 cents per square foot, or an equivalent of 100 per cent ad valorem. This enormous increase in the rate of duty has had the effect of largely reducing the sale of the imported goods, and has not helped the sale of domestic goods at all. We do not understand why such a prohibitory duty was put on these goods in the McKinley bill, as it was certainly unnecessary for the protection of American manufacturers. The only way we can account for it is that our competitors wished to exclude these imported articles altogether, which, although they did not compete with them, they may have thought the exclusion of them would increase their sales by compelling purchasers to take the cheaper American article.

For many years the demand for the imported goods has gradually diminished, and for several years prior to the present (McKinley) tariff bill we had not sold more than one-third the quantity of imported cocoa matting and mats that we did in former years, and since the passage of the McKinley bill our sales have fallen off to such an extent that we fear, if a change is not made at once, that we shall be compelled to give up this part of our business (which we have conducted in this country for upwards of forty years) entirely.

The only matting that we import is a high grade and high-priced fancy article made of peculiar yarn that is worked by hand and is not made in this country, and does not compete with domestic goods.

We, therefore, respectfully request that the rate of duty be put back where it was before the passage of the McKinley bill to 20 per cent ad valorem on cocoa or coir matting and mats, or, if a specific duty is decided upon, that it be made equivalent to the above ad valorem, viz, $1\frac{3}{4}$ cents per square foot on mats, and 4 cents per square yard on matting.

DANAGH & SMAIL.

BROOKLYN, *September 17, 1893.*

SIRS: On behalf of my fellow-workingmen of the cocoa mats and matting industry I most respectfully and earnestly appeal to you to allow the present rate of duty on imported mats and matting to remain as it is, viz, 8 cents a square foot on mats and 12 cents a square yard on matting. This rate was granted us after we had fully shown the horrid evil of the coolie labor (of India) products being permitted to be placed on our market at such a ruinous rate that it was impossible for our employers to compete with them. The result of the present rate is that much of the poor grades are not imported, but the better grades are, because the profit is very large, owing to the trifling cost of labor in India, which is from 3 to 6 cents a day.

The competition between the American manufacturers is so sharp for years that five of them were obliged to give up the business, and those who continue on are discouraged by the condition of their trade, which is half ruined by our degrading home evil, convict labor.

Hoping you will grant our request of allowing the present rate to stand,

I remain, respectfully,

D. J. CURNEN, 300 Plymouth Street,
Ex-President Mat Makers' Pro. Ass.

PIPES.

(Paragraph 463.)

PHILADELPHIA, *September 21, 1893.*

pproaching tariff legislation, we the under-
nployés engaged in the manufacture of briar
s, do hereby most respectfully and earnestly
ion whatsoever in the present rate of duty
s barely protected, and we beg to submit the
convince you that our request is entirely
r kind consideration.

pete with pauper and prison labor, largely
manufacture in Europe.

l Austria, wood pipes are made in enormous
nto this country, and the wages workmen
0 to $6 per week, whereas, the workmen in
n $7 to $20 per week at wood-pipe making,
tariff of 70 per cent ad valorem we are not
h them on many styles of pipes that come
the custom returns will show.

any reduction in the present rate will be a
the wages of thousands of skilled workmen
ndirectly connected with the trade, such as
olishers, workers in horn, amber, and many
loyed in digging, carting, and freighting the
States of the Union.

n the name of our fellow-workmen, to use
he preservation of the present tariff rate on

ours,

EDWARD P. FLAGG,
No. 991 Marshall Street.
JOHN C. WIESTENBERG,
344 Wharton Street.

BRELLA STICKS.

(Paragraph 471.)

NEW YORK, *September 22, 1893.*

finished sticks for umbrellas and parasols,
that the present rate of 35 per cent and 50 per
ained, for the reason that manufacturers of
uty suffering considerably from competition
ly from Austria and different parts of Ger-
n of a small percentage of high-priced sticks,
r the greater part of the value of the finished
cknowledged fact that such labor is much
Europe named above than in this country,
rotective duty as heretofore, which in our
rom being crippled.

EDW'D BENNECHE.

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